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LOGISTIC SUPPORT IN THE VIETNAM ERA

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MONOGRAPH 8

DSA/GSA SUPPORT

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A REPORT
BY THE JOINT LOGISTICS REVIEW BOARD



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INSTALLATIONS AND LOGISTICS

OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE
WASHINGTON, D.C. 20301

18 DEC 1970

MEMORANDUM FOR THE DIRECTOR, DEFENSE DOCUMENTATION CENTER

SUBJECT: Joint Logistics Review Board Report

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PAUL H. RILEY
Deputy Assistant Secretary of Defense
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TABLE OF CONTENTS

	Page
LIST OF TABLES	iii
LIST OF FIGURES	v
I. INTRODUCTION	1
1. BASIS FOR STUDY	3
2. SIGNIFICANCE OF DSA AND GSA SUPPLY SUPPORT	3
3. STUDY OBJECTIVES	4
4. SCOPE	4
5. EXCLUSIONS	4
6. ORGANIZATION OF THE MONOGRAPH	4
II. GENERAL DESCRIPTION	7
1. DEFENSE SUPPLY AGENCY	9
2. GENERAL SERVICES ADMINISTRATION	20
3. CHANGES DURING VIETNAM ERA	27
4. SUMMARY	28
III. ITEM MANAGEMENT CODING	29
1. INTRODUCTION	31
2. PURPOSE	31
3. STATEMENT OF THE ISSUE	31
4. METHODOLOGY	32
5. BACKGROUND	32
6. IMC CRITERIA REVIEW	33
7. RETROACTIVE IMC PROGRAM	36
8. CODING CONFLICTS	36
9. PROBLEMS ENCOUNTERED	38
10. APPLICATION OF IMC TO NEW ITEMS	38
11. IMPACTS FROM INTEGRATED MANAGEMENT	39
12. SINGLE-SERVICE USED ITEMS	39
13. FUTURE ACTIONS	42
14. SUMMARY	43
15. CONCLUSIONS AND RECOMMENDATIONS	44
IV. SUPPLY SUPPORT	47
1. INTRODUCTION	49
2. DEFENSE SUPPLY AGENCY	49
3. GENERAL SERVICES ADMINISTRATION	80
4. SUMMARY	85
5. CONCLUSIONS, OBSERVATIONS, AND RECOMMENDATIONS	86
V. SUMMARY	89
1. OVERVIEW	91
2. ITEM MANAGEMENT CODING	92
3. SUPPLY SUPPORT	93

	Page
APPENDIX A. CLOTHING AND TEXTILES PROBLEMS	A-1
APPENDIX B. LIST OF ACRONYMS AND ABBREVIATIONS	B-i
APPENDIX C. BIBLIOGRAPHY	C-1

LIST OF TABLES

	Page
1. DSA MATERIEL DISTRIBUTION SYSTEM STORAGE ACTIVITIES	19
2. STOCK POSITIONING OF DSA COMMODITIES IN SUPPORT OF OVERSEAS DISTRIBUTION AREAS	22
3. DOD-WIDE ITEM MANAGEMENT CODING RESULTS 30-MONTH RETRO-ACTIVE IMC PROGRAM	37
4. TRENDS IN ITEM MANAGEMENT ASSIGNMENTS DURING THE VIETNAM ERA	40
5. DEFENSE STOCK FUND FY 1966 BUDGET HISTORY	55
6. COMPARISON OF ARMY DOLLAR DEMAND AVERAGE QUARTER FY 65 VS. 1ST AND 2D QUARTER FY 66	72
7. COMPARISON OF MARINE CORPS DOLLAR DEMANDS	72
8. PROVISIONING SUPPLY SUPPORT REQUESTS	74

LIST OF FIGURES

	Page
1. DEFENSE SUPPLY AGENCY ORGANIZATION CHART	14
2. SUPPLY CENTERS	15
3. DCAS ORGANIZATION CHART	16
4. DEFENSE CONTRACT ADMINISTRATION SERVICE REGIONS	18
5. DSA DISTRIBUTION SYSTEM	21
6. GENERAL SERVICES ADMINISTRATION REGIONAL AREAS AND FEDERAL DATA PROCESSING CENTERS	24
7. FEDERAL SUPPLY SERVICE ORGANIZATION CHART	26
8. ITEM MANAGEMENT CODING CRITERIA FILTER CHART	35
9. TOTAL DSA STOCK AVAILABILITY	50
10. DCSC STOCK AVAILABILITY	51
11. DESC STOCK AVAILABILITY	51
12. DISC STOCK AVAILABILITY	52
13. DGSC STOCK AVAILABILITY	52
14. DPSC (CLOTHING AND TEXTILES) STOCK AVAILABILITY	53
15. DPSC (MEDICAL) STOCK AVAILABILITY	53
16. DPSC (SUBSISTENCE) STOCK AVAILABILITY	54
17. TOTAL DSA ON-TIME FILL	56
18. DGSC ON-TIME FILL	57
19. DISC ON-TIME FILL	57
20. DCSC ON-TIME FILL	58
21. DESC ON-TIME FILL	58
22. DPSC (CLOTHING AND TEXTILES) ON-TIME FILL	59
23. DPSC (MEDICAL) ON-TIME FILL	59
24. DPSC (SUBSISTENCE) ON-TIME FILL	60
25. DOLLAR VALUE OF BACK ORDERS (DSA TOTAL)	61

	Page
26. DOLLAR VALUE OF BACK ORDERS (GENERAL)	62
27. DOLLAR VALUE OF BACK ORDERS (CONSTRUCTION)	63
28. DOLLAR VALUE OF BACK ORDERS (MEDICAL)	64
29. DOLLAR VALUE OF BACK ORDERS (INDUSTRIAL)	64
30. DOLLAR VALUE OF BACK ORDERS (SUBSISTENCE)	65
31. DOLLAR VALUE OF BACK ORDERS (ELECTRONICS)	65
32. DOLLAR VALUE OF BACK ORDERS (CLOTHING)	66
33. DEFENSE STOCK FUND PRE-SE ASIA AND SE ASIA HISTORY	67
34. DEFENSE STOCK FUND MOBILIZATION RESERVE PROGRAM	70
35. GSA SUPPLY AVAILABILITY	81
36. GSA ON-TIME FILL (ARMY)	81
37. GSA ON-TIME FILL (NAVY)	82
38. GSA ON-TIME FILL (AIR FORCE)	82
39. TOTAL STORES STOCK SALES (YEAR-END INVENTORY) FY 1953-FY 1969	84

CHAPTER I
INTRODUCTION

CHAPTER I INTRODUCTION

1. BASIS FOR STUDY

a. Supply support is provided to the military forces by the internal systems within each Service and the integrated supply managers. The integrated supply managers consist primarily of the Defense Supply Agency (DSA), the General Services Administration (GSA), and the Army Tank-Automotive Command (TACOM). The overall responsibility for ensuring adequate supply support for the forces is shared by the Service Inventory Control Points (ICPs), DSA, and GSA, each being a partner and responsible for the materials assigned to it for overall management. The responsibilities of DSA and GSA were examined by the Joint Logistics Review Board (JLRB), as specified under its Terms of Reference as follows:

"The Board's review will include a comparative evaluation of the overall logistic systems of the Army, Navy, Air Force, and Marine Corps--and the support provided to these systems by the Defense Supply Agency, the General Services Administration, and various cross-servicing and single service support arrangements. Recommendations for improvements will be made, as appropriate."¹

b. The concepts of integrated materiel management and the providing of common logistics services from a single source for all of the forces of the Department of Defense (DOD) have evolved during the periods of peace following World War II and the Korean conflict. These concepts have been tested under wartime conditions for the first time during the Vietnam era. Thus, there is provided an excellent opportunity to assess the effectiveness of these concepts in support of the military forces under combat conditions. Accordingly, the Joint Logistics Review Board has examined this area of DSA and GSA support to the Services.

2. SIGNIFICANCE OF DSA AND GSA SUPPLY SUPPORT

a. These areas of integrated materiel management are of particular interest in reviewing logistic support during the Vietnam era. For the first time under a combat environment, the military departments of the DOD have received substantial portions of their support from integrated support managers, mainly the DSA and GSA. DSA is assigned inventory management responsibilities for some 1,973,000 items of supply falling within 224 Federal Supply Classes (FSCs) determined to be suitable for integrated management. This figure includes some 620,000 items added to DSA's responsibilities since the beginning of the Vietnam era. GSA is currently the inventory manager for approximately 68,500 DOD-interest items in 68 FSCs also determined to be suitable for integrated management. Since the beginning of the Vietnam era the total for GSA has increased by approximately 20,000 items.

b. A statement by the Assistant Secretary of Defense (Installation and Logistics) to the House of Representatives Committee on Government Operations on 25 November 1969, cited below, further indicates the significance of DSA's and GSA's role in current logistics systems.

"In treating some of our other Improvement Programs, one approach which has proven successful is the identification and elimination of areas of duplication and overlap with the resultant economies. This is the foundation of integrated

¹ Deputy Secretary of Defense, Memorandum, subject: Joint Logistics Review Board, JLRB, 17 February 1969.

DSA/GSA SUPPORT

materiel management (Single Manager) whereby our goal is to have but one identification and one wholesale manager for any given item in the system.

"We have made considerable progress toward this goal. At the end of June 1969, 2.1 million items, or 51 percent of the 4.1 million items used by the military services were under the control of one integrated manager, mainly the Defense Supply Agency. (Reviewers note: DSA's part is approximately 1,973,000 items.)

"The Army manages about 50,000 tactical vehicle parts for DOD at its Tank-Automotive Command, and the General Services Administration manages about 65,000 Administrative and housekeeping items for the DOD as well as its civilian customers. The execution of this policy caused a major shift of item management responsibility from the services to DSA shortly before and during the Vietnam conflict."²

3. **STUDY OBJECTIVES.** The objectives of this monograph are to review the supply systems employed by the Defense Supply Agency and the General Services Administration in providing supply support to the Services, to evaluate the effectiveness of this support, and to develop conclusions and provide appropriate recommendations for improvements.

4. **SCOPE.** This monograph covers areas of DSA and GSA supply support provided to the Services during the Vietnam era. Specifically addressed are the evolution of DSA and GSA as integrated materiel managers for Service-used materials, the supply system employed by each, the effectiveness of their supply support during the initial and replenishment phases, and a review of the necessity for and effects of any special systems and controls instituted for ensuring adequate supply capability to meet the needs of the military forces during the Vietnam era.

5. **EXCLUSIONS.** This monograph does not examine the Defense Contract Administration Services (DCAS), the Defense Industrial Production Equipment Center (DIPEC), or the procurement and POL functions of DSA. Three of these topics are covered elsewhere in the report--DCAS and DSA procurements in the Procurement and Production Monograph, and POL in the POL Monograph. DIPEC's management of Industrial Plant Equipment (IPE) inventories has been undergoing a DOD-directed revision and was not reviewed by the JLPB.

6. **ORGANIZATION OF THE MONOGRAPH.** This study is presented in the following sequence:

Chapter I. This chapter contains the introduction.

Chapter II. This chapter describes the evolution of the integrated manager concept and the development of DSA and GSA as integrated managers for the Services; it discusses their organization and outlines the responsibilities of each at the various levels of their organization; and it discusses the supply systems of each and describes their methods of operation.

Chapter III. This chapter evaluates the Item Management Coding (IMC) process from its inception to the present. The adequacy of the criteria is examined, and the impacts of the criteria on the logistic system are assessed.

² Hearings before a Subcommittee of the Committee on Government Operations, House of Representatives, Ninety First Congress, First Session, November 20, 25, and December 4, 1969, subject: Military Supply System, 1969.

DSA/GSA SUPPORT

Chapter IV. This chapter examines the effectiveness of DSA and GSA supply support to the military forces during the Vietnam era.

Chapter V. This chapter contains the summaries of each of the issue chapters and the recommendations of the monograph.

CHAPTER II

GENERAL DESCRIPTION

CHAPTER II

GENERAL DESCRIPTION

1. DEFENSE SUPPLY AGENCY

a. Origin

(1) On 23 March 1961, the Secretary of Defense convened a study group under the chairmanship of the General Counsel to submit "three alternative plans of organization and management of common supply and service activities."¹ These were defined as:

(a) "Plan No. 1 - A plan based on continuation of the principle of assigning single manager responsibilities to the individual Military Departments. . ." (The single manager concept had been inaugurated in 1956.)

(b) "Plan No. 2 - A plan of organization for a consolidated common supply and service agency to be assigned to the Secretary of one of the Military Departments. . .

(c) "Plan No. 3 - This plan will present the same type and scope of organization as that outlined in Plan No. 2 but provide for its establishment as an Agency reporting to the Secretary of Defense. The report on Plan No. 3 should consider the advantages and disadvantages of having such an Agency report (1) through the Joint Chiefs of Staff (having the same status as the Defense Communications Agency) as one alternative, and through another designee of the Secretary of Defense as a second alternative."

(2) The study group stated that "in strengthening the mechanisms of common supply operations extreme caution must be exercised not to impair the capability of the logistic organizations of the Military Departments to carry out their responsibilities."² It endorsed the following principles:

(a) "Integrated supply management systems must be suitable for wartime use without substantial change, and must be fully responsive to combat needs of the operating forces.

(b) "Each Service must retain full control over the development and management of assigned weapon systems. The process of selecting items to be managed by Single Managers must be based upon criteria which permit the military Departments to retain under their own management those items which are of critical importance to the operation of assigned weapon systems.

(c) "Each Military Service will continue to require military personnel trained in supply and service management to meet CONUS retail and user requirements, overseas and mobilization requirements, and the logistic support of that Service's assigned weapon systems.

(d) "The ownership and control of wholesale stocks by Single Managers should continue to be restricted to CONUS, unless otherwise directed by the Secretary of Defense. This requires that the Services continue to provide and maintain their own retail and overseas distribution systems."

¹Secretary of Defense, Memorandum, subject: Integrated Management of Common Supply and Services Activities, 23 March 1961.

²Report of Department of Defense Study Committee (Project 100) of 11 July 1961, subject: Integrated Management of Common Supply Activities.

(3) The group also recognized the applicability of the following principles.³

(a) "Each Military Service must retain the authority and capability for requirements determination. . .

(b) "Each Military Service must maintain its own operationally sensitive distribution system of sufficient scope to provide tailored combat support.

(c) "Integrated Material Managers should be assigned item and functional responsibility on a basis which would result in either improved operations or equal levels of efficiency with resulting economies.

(d) "Integrated Material Managers have one prime mission, the support of Military Service operations in wartime as well as peace.

(e) "Uniformity in policies, procedures and systems design is a basic factor in realizing maximum effectiveness of Integrated Materiel Management operations. At the same time it was recognized that 'there are practical limits to the degree of uniformity' and that 'peculiarities introduced by types of materiel involved and differences existing among the Military Services dictate these limits.'

(f) "The Military Services must retain the prerogatives of selecting first, for Service management those items of supply which the individual Service considers they must manage to carry out their assigned missions; and second, those items more effectively managed through integrated techniques.

(g) "The available assets of all the Military Services should be the first source considered in meeting a Service requirement.

(h) "General support type activities when used by more than one Military Service for substantially the same purpose, are susceptible to Integrated Management. Such assignments should be compatible with the Military Service operation missions.

(i) "To insure responsiveness to military requirements, Integrated Materiel Management in whichever form it takes, should be controlled by military personnel subject to policy guidance of civilian presidential appointees."

(4) The following advantages and disadvantages of Plan No. 3 were set forth by the study group.⁴

"Advantages

(a) "Provides maximum degree of integration.

(b) "Provides unified policy direction and control.

(c) "Facilitates procedural standardization of organization and systems of subordinate agencies.

(d) "Consolidation of resources would provide for flexibility and simplification in planning, programming, budgeting, and funding.

(e) "Facilitates joint staffing.

³Interservice Agreements on Principles and Functional Assignments in the Area of Common Supply and Services, 2 May 1961, DOD Rpt of Study Cmte (Proj. 100), 11 July 1961, subject: Integrated Management of Common Supply Activities.

⁴Ibid.

DSA/GSA SUPPORT

- (f) "Would permit Departments to emphasize their combat support missions.
- (g) "Reduce competition for resources by SMOA's and Services.
- (h) "Costs and savings of integrated material management could be accurately determined and evaluated.
- (i) "Insure equality of treatment to all customers of the common support activity."

"Disadvantages

- (a) "Creates an outside operating agency which would be involved in the internal affairs of the three military departments and might result in conflicting and confusing lines of authority.
- (b) "Would require a major reorganization which could result in confusion and disruption and a temporary loss of efficiency.
- (c) "Creates a risk of slower responsiveness to combat support needs.
- (d) "Commits DOD to a course of action from which return would be slow, difficult, and costly.
- (e) "Might become a 'control' rather than a 'service' activity which might encroach upon the combat support missions of the Departments.
- (f) "Unless properly controlled could lead to duplication of existing supply facilities."

(5) The study group cited the following authority contained in the DOD Reorganization Act of 1958.⁵

"Whenever the Secretary of Defense determines it will be advantageous to the Government in terms of effectiveness, economy, or efficiency, he shall provide for the carrying out of any supply or service activity common to more than one military department by a single agency or such other organizational entities as he deems appropriate."⁶

(6) In commenting on the study group's efforts, "the primary concern" expressed by the Joint Chiefs of Staff (JCS) was that the second alternative of Plan No. 3 "would not be as responsive to the operating forces of the Joint Chiefs of Staff as are the single manager systems." The Joint Chiefs of Staff "recommended that an integrated materiel agency reporting through the Joint Chiefs of Staff not be established. Establishment of such an agency would directly involve the Joint Chiefs of Staff in the details of operational logistics which is properly the function of the Military Departments. In addition, this could mean that the Joint Chiefs of Staff would be the nominal owners of large single manager stocks under the industrial fund concept." If the alternative of Plan No. 3, reporting through another designee of the Secretary of Defense (SECDEF), was adopted, it was recommended that "provisions be made for adequate liaison so that the Joint Chiefs of Staff can keep informed of logistic matters affecting the operational commands."⁷

⁵Ibid.

⁶National Security Act of 1947, as amended.

⁷JCS Memorandum for the General Council of the DOD, CM-230-61 of 1 June 1961, subject: Integrated Management of Common Supply and Service Activities (DOD Project 100).

DSA/GSA SUPPORT

(7) The Secretary of Defense established the Defense Supply Agency (DSA) on 31 August 1961. To advise and assist the Secretary of Defense in the direction and control of the Agency, the Defense Supply Council (subsequently Defense Materiel Council) was established. The principal members of this council are the Deputy Secretary of Defense (Chairman), the Secretaries of the military departments, the Chairman of the Joint Chiefs of Staff, and the Assistant Secretary of Defense (Installation and Logistics).⁸ The council was to be "available for consultation with the Director, DSA, on such matters as he or any member may bring before it. It will meet regularly as necessary, but not less than quarterly."⁹

b. General

(1) The Defense Supply Agency is a separate agency, reporting directly to the Secretary of Defense. It provides integrated supply and services support to the military departments and other DOD and Government agencies and has been assigned responsibility for inventory management of approximately one half of the slightly more than 4 million items in the military portion of the Federal Supply Catalog.

(2) The Defense Supply Agency functions as a consolidated wholesaler for assigned items of supply and distributes them from a depot system located within the United States. In the case of the Army and the Air Force, DSA provides direct worldwide support from their depots. For the Navy and the Marine Corps different procedures are followed. Most Navy ships and overseas facilities draw their DSA support through Navy tidewater supply centers located on both coasts of the United States. The Marine Corps obtains all DSA items for deployed Fleet Marine Force units through the Marine Corps ICP, Philadelphia, for distribution through their own supply system.

c. Responsibilities

(1) The DSA mission is to provide support to the Services, other DOD components, Federal civil agencies, foreign governments, and others as authorized for assigned materiel commodities and items of supply; logistics services directly associated with the supply management function; other support services as directed by the Secretary of Defense; and for administration of the operation of DOD programs as assigned. DSA's operations are to be conducted within the continental United States (CONUS), except as specifically extended by the Secretary of Defense.¹⁰

(2) As part of the defense logistic system, the operations of DSA are oriented primarily toward logistic support of the Services and the unified and specified commands under all conditions of peace and war. Important among these operations are: (1) management of assigned items of materiel, (2) procurement of common supplies and common services, (3) operation of a distribution system for assigned supplies in the United States, (4) provision of contract administration services in support of the military departments and other DOD components, the National Aeronautics and Space Administration, other designated Federal and state agencies, and friendly foreign governments, (5) logistics systems analysis and design, procedural development, and the maintenance of assigned supply and service systems, (6) scientific and technical documentation, including acquiring, storing, announcing, retrieving, and distributing formally recorded information, and (7) administration and supervision of programs as directed by the Secretary of Defense. These programs include the DOD Coordinated Procurement Program, the Defense Materiel Utilization Program, the Federal Catalog System, and the DOD Industrial Plant Equipment Program.

d. Organization

(1) The headquarters organization consists of the Director, the Deputy Director, the Deputy Director (Contract Administration Services), a central staff to provide common

⁸ Deputy SECDEF, Memorandum, subject: Establishment of the Defense Supply Agency (DSA), 12 September 1961.

⁹ DOD Directive 5105.22, subject: Defense Supply Agency (DSA), 6 November 1961.

¹⁰ DOD Directive 5105.22, paragraph III, B&C, subject: Defense Supply Agency (DSA), 9 December 1961.

administrative, professional, technical, and managerial support, and the Executive Directorates for Supply Operations, Procurement and Production, and Technical and Logistics Services. DSA's headquarters organization is shown in Figure 1.

(2) The field organization, relatively stable during the Vietnam era, consists of 6 Defense Supply Centers, 4 Defense Depots, 4 Service Centers, and 11 Defense Contract Administration Services Regions (DCASR). These report directly to the Director, DSA, with the exception of the 11 DCASRs that are under the management direction and control of the Deputy Director (Contract Administration Services). In addition, there are a number of headquarters field extension offices controlled by specific headquarters staff elements.

e. Scope of Operations

(1) Defense Supply Centers. Defense Supply Centers are located in the Eastern and Midwestern area of the United States as shown in Figure 2. Five of the six centers have responsibilities for centralized inventory control. They are the Defense Personnel Support Center (DPSC), the Defense Electronics Supply Center (DESC), the Defense Industrial Supply Center (DISC), the Defense Construction Supply Center (DCSC), and the Defense General Supply Center (DGSC). Supply management functions such as procurement, distribution, requisition processing, inventory accountability, stock replenishment, financial accounting, reporting, billing, and collecting are all performed by these centers. The Defense Fuel Supply Center (DFSC) does not have responsibility for inventory control. DFSC is responsible only for procurement of fuel, petroleum products, and commercial petroleum services.

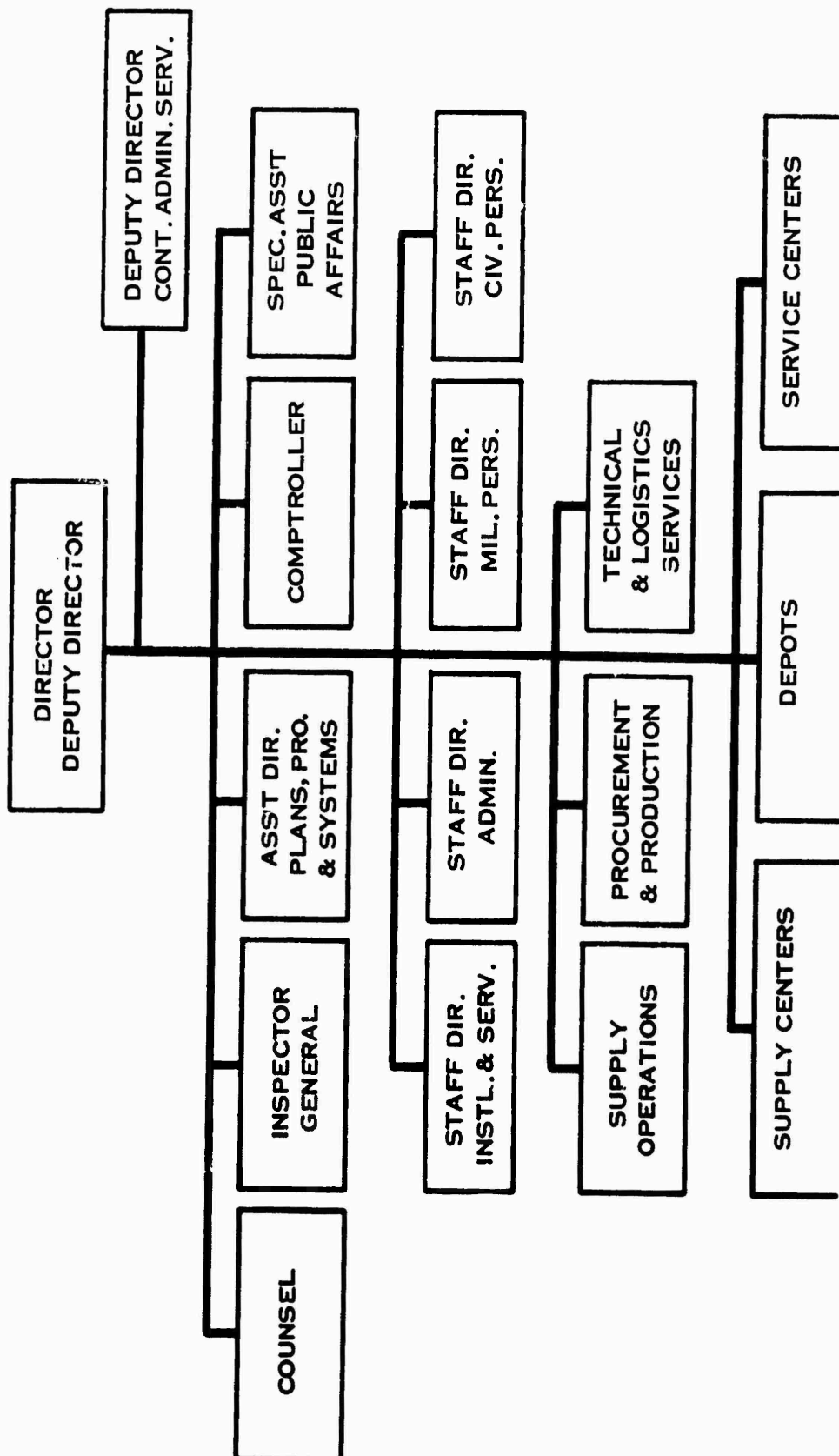
(2) DSA Depots. There are seven activities designated as Principal Distribution Depots, of which six are DSA activities. Four of these are the Defense Depot Mechanicsburg, Pennsylvania, Defense Depot Memphis, Tennessee, Defense Depot Ogden, Utah, and Defense Depot Tracy, California. These activities are responsible for receipt, storage, and issues of supplies as directed by the Defense Supply Center having materiel management responsibility for the items involved. Two others are the Defense Construction Supply Center and the Defense General Supply Center, which perform Principal Distribution Depot functions in addition to DSC duties. The seventh is the Atlanta Army Depot, which performs Principal Distribution Depot functions on a cross-servicing basis.

(3) Other Depots and Depot Activities Supporting DSA. In addition to the above cited Principal Distribution Depots, there are four Specialized Support Depots (SSD) and a number of Direct Supply Support Points. Two of the four SSDs and all of the Direct Supply Support Points are Navy. The SSDs are the Navy Supply Center, Oakland, and Supply Center, Norfolk, both of which stock DSA assets that relate to their assigned primary missions of supporting the fleet and overseas areas. The other two SSDs are DSA activities at the Defense Electronics Supply Center for issue of electronics items and at the Defense Personnel Support Center for handling of clothing and textiles.

(4) Defense Contract Administration Services (DCAS)

(a) DCAS, whose organization is shown in Figure 3, is responsible for providing a wide variety of support services to the purchasing offices of the Services, other Federal agencies, and certain foreign governments and consists mainly of the following operational functions.

1. Contract Administration. This activity is responsible for the settlement of contracts terminated for convenience of the Government and for ensuring compliance with contractual and Armed Services Procurement Regulation (ASPR) provisions regarding management, control, and disposition of Government property in the possession of contractors; financial analysis and review of contractor management systems; price and cost analysis; negotiation of contract changes; determining allowability of cost; and ensuring overall compliance by the Government and the contractor with the terms of the contracts.



DSA/GSA SUPPORT

FIGURE I. DEFENSE SUPPLY AGENCY ORGANIZATION CHART

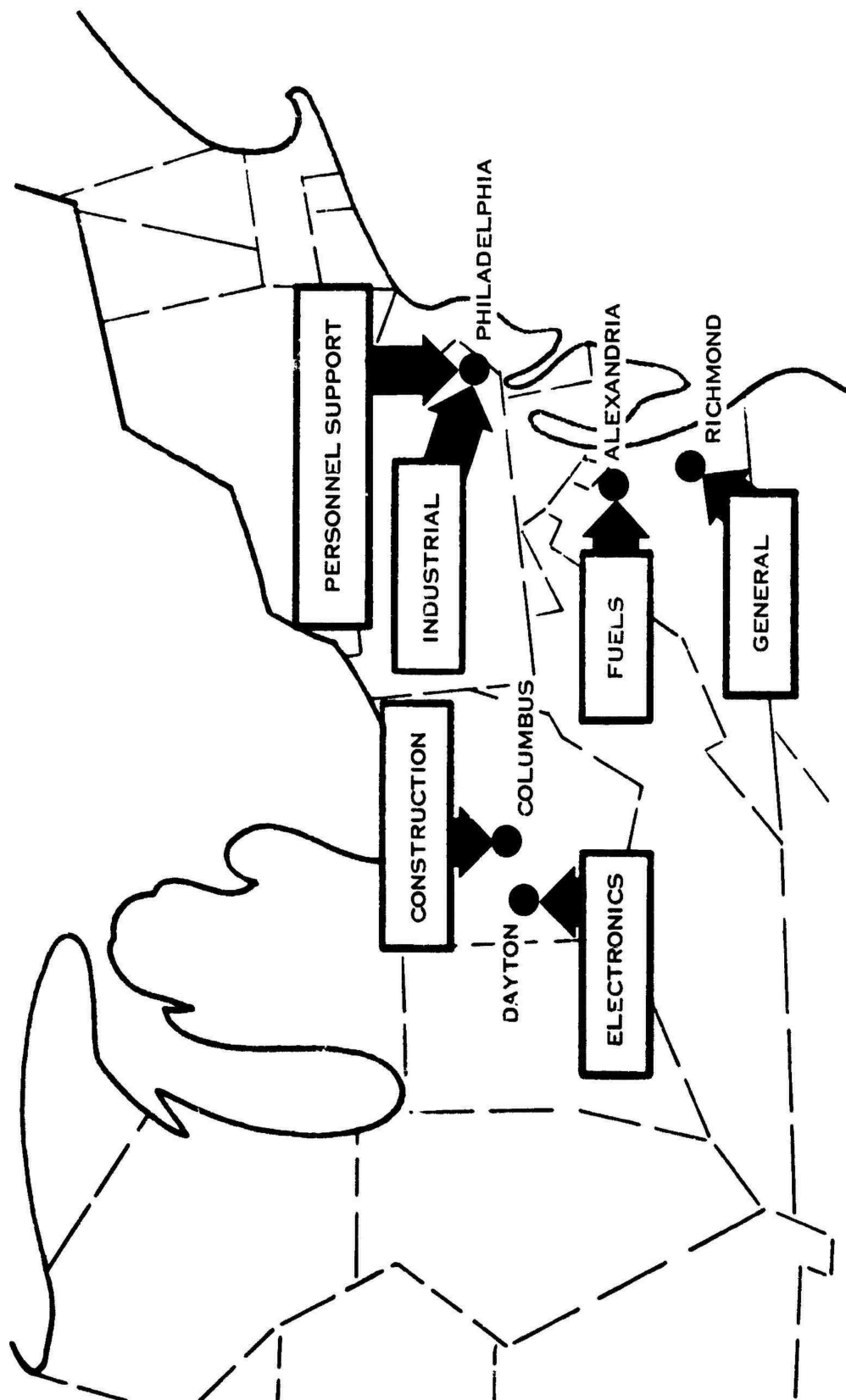


FIGURE 2. SUPPLY CENTERS

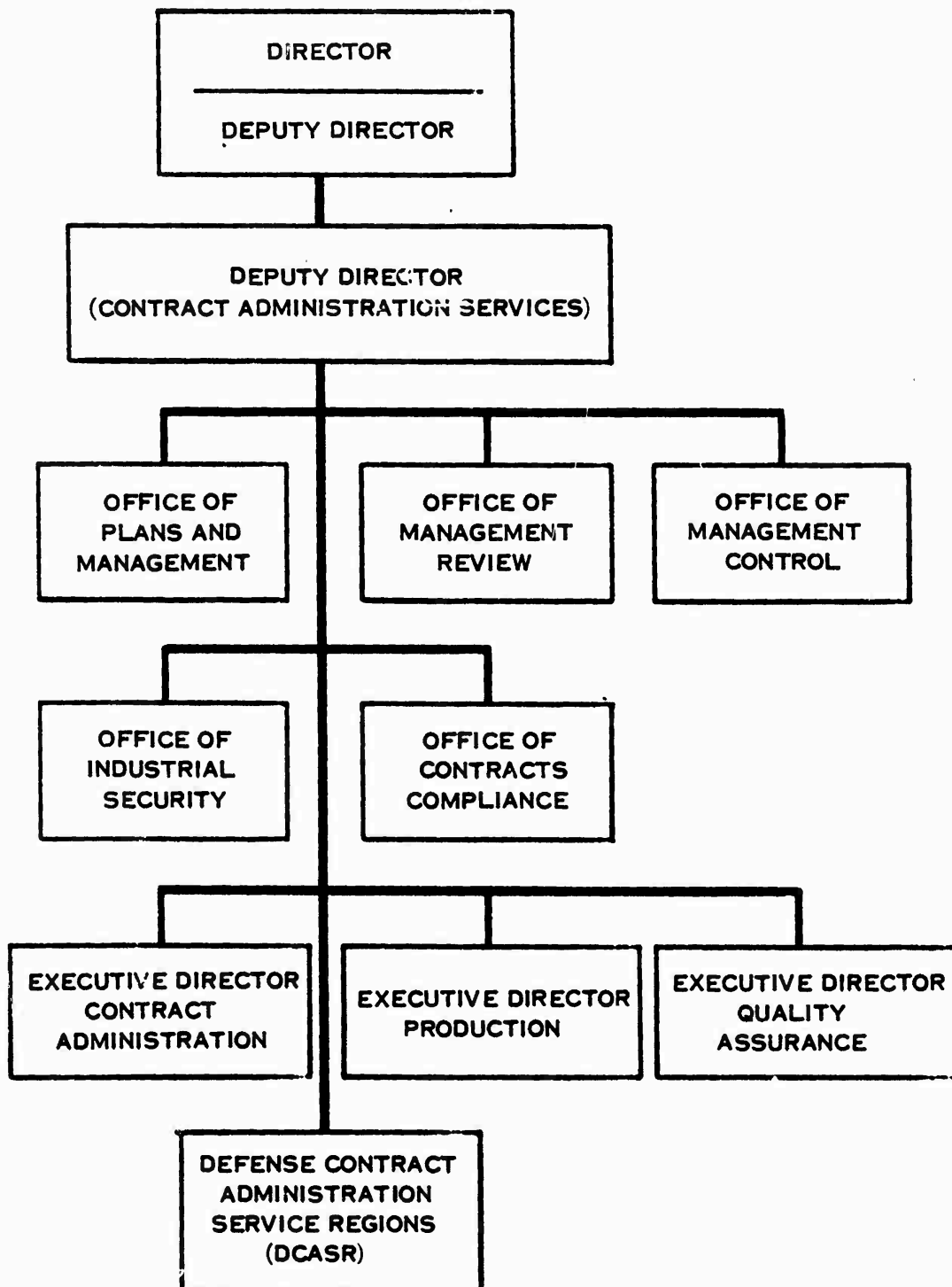


FIGURE 3. DCAS ORGANIZATION CHART

2. Quality Assurance. This activity monitors the contractor's quality program to ensure it is adequate for the level of quality required by the contracts.

3. Production. This activity is concerned initially with pre-award surveys involving the selection of responsible contractors. Then, following the awarding of a contract, production focuses attention on the timely flow and delivery of the product of the contract.

4. The Office of Systems and Financial Management. This office is the central location and focal point for all computer operations, operational accounting, and related reporting at a DCASR. It is also responsible for processing and paying contractor invoices.

5. The Office of Industrial Security. This office administers the Defense Industrial Security Program. Its mission is to safeguard classified information entrusted to industry and to maintain security cognizance over all security cleared contractors. It also has the responsibility for administering security for classified contracts awarded by departments as agencies of the executive branch of the Government other than the DOD.

6. The Office of Contracts Compliance. This office monitors the contractor personnel program to ensure the contractors' adherence to their obligations under Executive Order 11246 regarding equal employment opportunity regardless of race, creed, color, or national origin.

(b) Each of the 11 DCASRs are responsible for the administration of contracts within a specified geographical alignment in the CONUS as well as certain overseas areas. The 11 service regions are depicted in Figure 4. The overseas areas include Alaska, Hawaii, Marianas and Marshall Islands, Greenland, Iceland, Ascension, Virgin and Bahamas Islands, Bermuda, Central America, and South America. In addition the Defense Contract Administration Service Districts (area responsibility), the Defense Contract Administration Services Plant Representative Offices (contractor plant responsibility), and the Defense Contract Administration Services Offices (both area and plant responsibility) are also under the DCASR's auspices.

(5) Distribution System

(a) Distribution of the DSA managed materiel is accomplished through a pattern of 21 permanent storage activities as shown in Table 1 which receive, store, and issue DSA stocks under accountability of the Defense Supply Centers. The storage facilities are located to provide physical positioning of DSA materiel inventories as close as practical to concentrations of demands from requisitioners in CONUS and to CONUS ports of embarkation supporting overseas areas.

1. Principal Distribution Depots (PDDs) stock a wide range of DSA commodities for support of all authorized requisitioners located within a specific geographic area which may include only CONUS, or both CONUS and overseas areas.

2. Specialized Support Depots (SSDs) are so designated because the commodity mission or the assigned distribution mission is specialized in nature. They may stock a wide range of DSA commodities for a specified range of authorized requisitioners as do the Naval Supply Center (NSC), Norfolk, and NSC, Oakland. Each of these SSDs stocks all DSA commodities (except medical materiel at Oakland), but the distribution mission is limited to Navy requisitioners for the fleet and Navy overseas bases. On the other hand a depot may be designated a Specialized Support Depot because the storage mission is limited to a single DSA commodity with a normal type of distribution area support mission, such as the storage activities at Defense Electronics Supply Center and Defense Personnel Support Center.

3. Direct Supply Support Points (DSSPs) have been established at Navy maintenance activities, Naval Supply Centers, and a recruit training center, all of which are volume users of certain types of DSA materials in the performance of their assigned

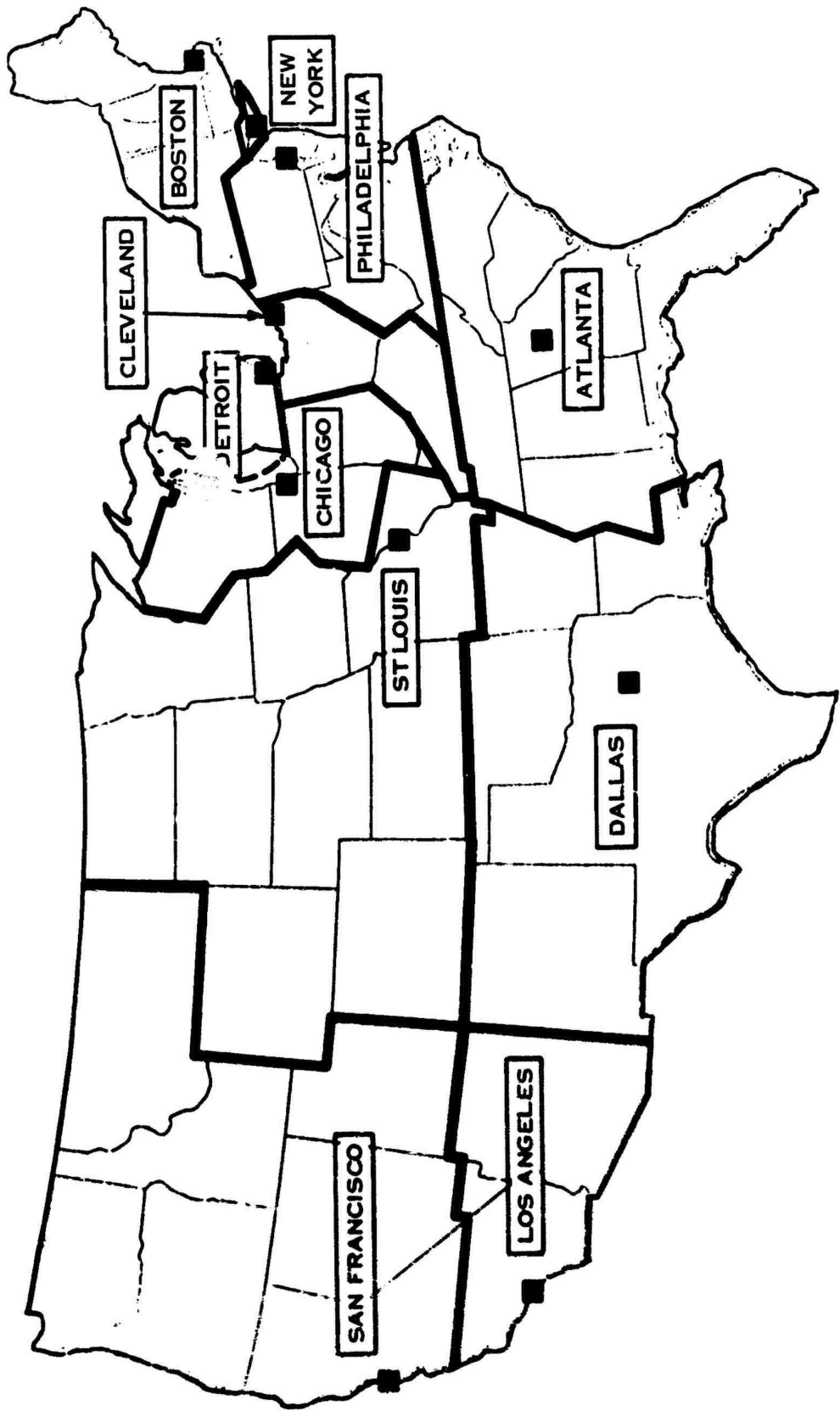


FIGURE 4. DEFENSE CONTRACT ADMINISTRATION SERVICE REGIONS

TABLE 1

DSA MATERIEL DISTRIBUTION SYSTEM STORAGE ACTIVITIES

PRINCIPAL DISTRIBUTION DEPOTS (PDDs)

- | | |
|--|----------------------|
| a. Defense Depot Mechanicsburg (DDMP) | - Mechanicsburg, Pa. |
| b. Defense Depot Memphis (DDMT) | - Memphis, Tenn. |
| c. Defense Depot Ogden (DDOU) | - Ogden, Utah |
| d. Defense Depot Tracy (DDTC) | - Tracy, Calif. |
| e. Defense General Supply Center (DGSC) | - Richmond, Va. |
| f. Defense Construction Supply Center (DCSC) | - Columbus, Ohio |
| g. Atlanta Army Depot (AAD) | - Forest Park, Ga. |

SPECIALIZED SUPPORT DEPOTS (SSDs)

- | | |
|---|---------------------|
| a. Defense Electronics Supply Center (DESC) | - Dayton, Ohio |
| b. Defense Personnel Support Center (DPSC) | - Philadelphia, Pa. |
| c. Naval Supply Center, Norfolk | - Norfolk, Va. |
| d. Naval Supply Center, Oakland | - Oakland, Calif. |

DIRECT SUPPLY SUPPORT POINTS (DSSPs) ¹

- | | |
|--|----------------------|
| a. Boston Naval Shipyard ² | - Boston, Mass. |
| b. Portsmouth Naval Shipyard ² | - Portsmouth, N.H. |
| c. Philadelphia Naval Shipyard ² | - Philadelphia, Pa. |
| d. Norfolk Naval Shipyard ² | - Portsmouth, Va. |
| e. Naval Supply Center, Charleston ² | - Charleston, S.C. |
| f. Naval Supply Center, Puget Sound ² | - Bremerton, Wash. |
| g. San Francisco Bay Naval Shipyard ³ | - Vallejo, Calif. |
| h. Naval Supply Center, Long Beach ² | - Long Beach, Calif. |
| i. Naval Supply Center, San Diego ⁴ | - San Diego, Calif. |
| j. Naval Training Center, Great Lakes ⁵ | - Great Lakes, Ill. |

NOTES:

- 1 - Operational DSSPs as of 1 September 1969.
- 2 - Stock positioning limited to FSG 95 and shipboard cable items of FSC 6145, under DISC accountability.
- 3 - Same mission as for Note 2, except stocks are positioned at Hunter's Point Division and Mare Island Division as separate storage points.
- 4 - Same mission as for Note 2, plus clothing and textile items in support of Navy recruit outfitting with stocks under DPSC accountability.
- 5 - Stock positioning limited to clothing and textile items identified as essential to training center mission and recruit outfitting, under DPSC accountability.

DSA/GSA SUPPORT

mission. DSA positions stocks at these activities under DSA ownership, but storage and issue are accomplished by the Navy in support of their own requirements. DSSP and the Navy SSD stocks are positioned solely in support of the activity mission and are not shipped at DSC direction to any other requisitioner unless required for a high-priority requirement for which the item is out of stock system-wide except for availability at a DSSP.

(b) In addition to the 21 permanent sites of the DSA Materiel Distribution System, there are approximately 20 sites classified as Attrition Sites and 5 sites classified as Provisional Storage Sites.

1. An Attrition Site is one in which DSA assumed ownership of assets in place at a Service depot through logistic reassignment of the materiel from a Service to DSA management. These stocks are evacuated as rapidly as possible by DSA through issue direct from site, disposal in place, or redistribution to permanent DSA storage locations.

2. A Provisional Storage Site results from the DSA acquisition of Service or commercial storage space through cross-servicing agreements or lease on a temporary basis to receive, store, and issue DSA-owned stocks of specific commodities that exceed the space capacity of the permanent DSA depot assigned the commodity mission.

(c) The Defense Supply Agency is commodity management oriented; however, specific geographical distribution areas in CONUS are serviced by the primary distribution points. The designated support area within CONUS for each primary distribution point is shown in Figure 5. Distribution of DSA managed items in support of overseas theaters is also assigned on an area basis. Stock positioning of DSA commodities in support of overseas distribution areas and their respective assignments to principal distribution depots are shown in Table 2.

(d) The Defense Supply Agency has no in-house transportation system, but relies on established systems managed by the Services (MTMTS, MAC, MSTS, LOGAIR and QUICKTRANS), with DSA being responsible for the cost of first and second destination movement of supplies. These costs, which are included as part of the sales price paid by the sponsoring Service, are applicable to movements within the 50 states, including shipments to ports for further movement to overseas destinations other than Alaska and Hawaii.

2. GENERAL SERVICES ADMINISTRATION

a. Origin

(1) The General Services Administration (GSA) was established as a result of the Federal Property and Administrative Act of 1949, the Administrator being assigned certain responsibilities in respect to executive agencies. The extent of these responsibilities was dependent on the determination that it was "advantageous to the Government in terms of economy, efficiency, or service, and with due regard to the program activities of the agencies concerned." These responsibilities included:

(a) "prescribe policies and methods of procurement and supply of personal property and nonpersonal services, including related functions such as contracting, inspection, storage, issue, property identification and classification, transportation and traffic management, management of public utility services, and repairing and converting; and

(b) "operate, and, after consultation with the executive agencies affected, consolidate, take over, or arrange for the operation by any executive agency of warehouses, supply centers, repair shops, fuel yards, and other similar facilities; and

(c) "procure and supply personal property and nonpersonal services for the use of executive agencies in the proper discharge of their responsibilities, and perform functions related to procurement and supply such as those mentioned above." ¹¹

¹¹ Federal Property and Administrative Services Act, 1949, Section 201 (a).

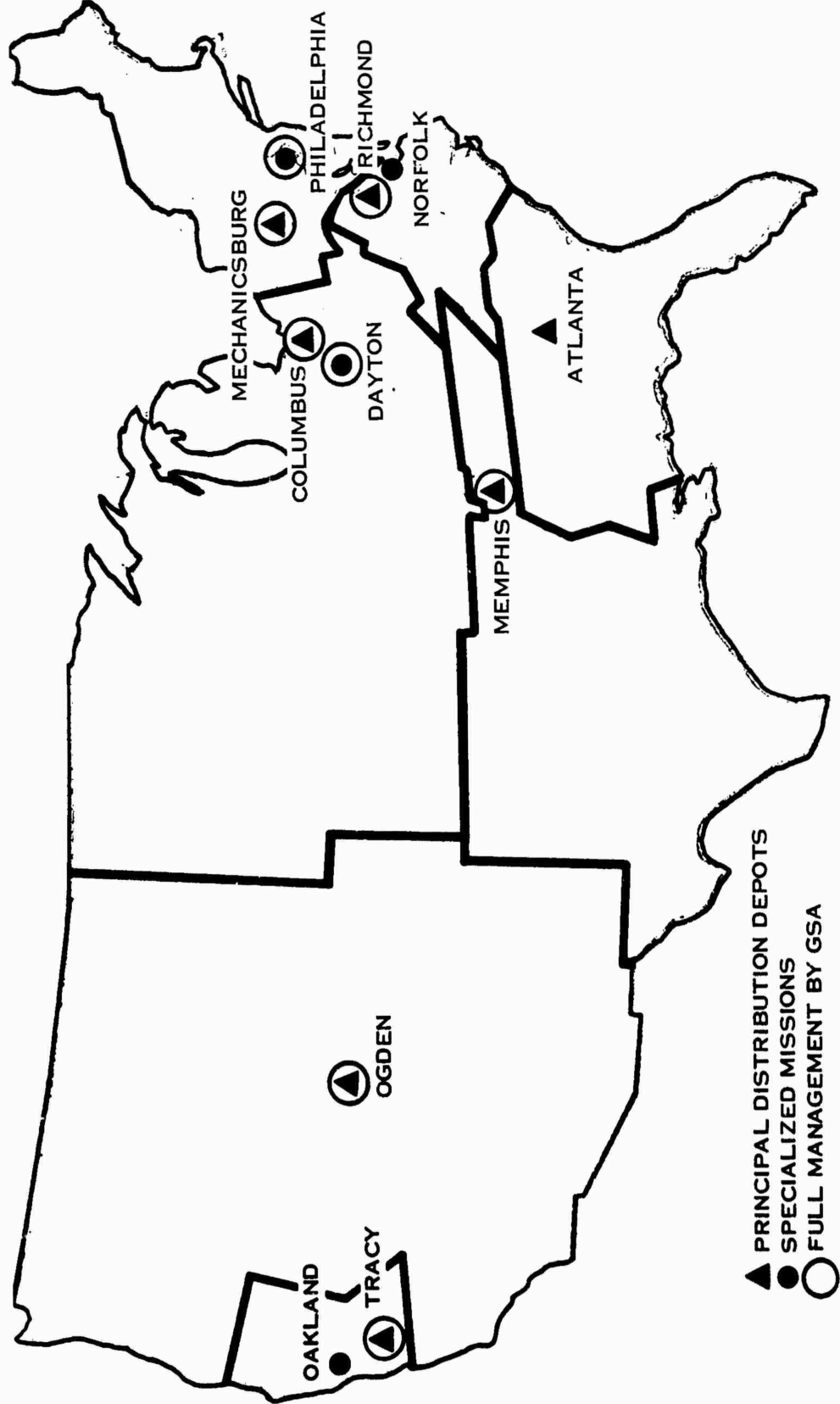


FIGURE 5. DSA DISTRIBUTION SYSTEM

TABLE 2
STOCK POSITIONING OF DSA COMMODITIES IN SUPPORT OF OVERSEAS DISTRIBUTION AREAS

Commodity	North Atlantic	Europe	Caribbean	Mediterranean	Hawaii *	Alaska *	North Pacific *	South Pacific *
Clothing & Textiles	Defense Depot Mechanicsburg	Defense Gen. Supply Center	Atlanta Army Depot	Defense Depot Mechanicsburg	Atlanta Army Depot	Defense Depot Ogden Utah	Defense Depot Ogden Utah	Defense Depot Mechanicsburg
Medical	Defense Depot Mechanicsburg	Defense Depot Mechanicsburg	Atlanta Army Depot	Defense Depot Mechanicsburg	Defense Depot Tracy	Defense Depot Tracy	Defense Depot Tracy	Defense Depot Tracy
Subsistence	Defense Depot Mechanicsburg	Defense Gen. Supply Center	Atlanta Army Depot	Defense Depot Mechanicsburg	Atlanta Army Depot	Defense Depot Ogden Utah	Defense Depot Ogden Utah	Defense Depot Memphis
General	Defense Gen. Supply Center	Defense Gen. Supply Center	Atlanta Army Depot	Defense Gen. Supply Center	Atlanta Army Depot	Defense Depot Ogden Utah	Defense Depot Ogden Utah	Defense Gen. Supply Center
POL	Defense Gen. Supply Center	Defense Gen. Supply Center	Atlanta Army Depot	Defense Gen. Supply Center	Atlanta Army Depot	Defense Depot Ogden Utah	Atlanta Army Depot	Defense Depot Memphis
Industrial	Defense Depot Mechanicsburg	Defense Depot Mechanicsburg	Atlanta Army Depot	Defense Depot Mechanicsburg	Atlanta Army Depot	Defense Depot Ogden Utah	Defense Depot Ogden Utah	Defense Depot Memphis
Construction	Defense Const. Supply Center	Defense Const. Supply Center	Defense Depot Memphis	Defense Const. Supply Center	Defense Depot Memphis	Defense Depot Ogden Utah	Defense Depot Ogden Utah	Defense Const. Supply Center
Electronics	Defense Elec. Supply Center	Defense Elec. Supply Center	Defense Elec. Supply Center	Defense Elec. Supply Center	Defense Depot Ogden Utah	Defense Depot Ogden Utah	Defense Depot Ogden Utah	Defense Depot Ogden Utah

*West Coast procurements in support of overseas distribution area positioned at Defense Depot, Tracy, California.

(2) The Act included the provision that the Secretary of Defense "may from time to time, and unless the President shall otherwise direct, exempt the National Military Establishment from action taken or which may be taken by the Administrator. . . whenever he determines such exemptions to be in the best interests of national security."

b. General

(1) The General Services Administration is an independent agency of the executive branch and is responsible for the management of Government property and records including the construction and operation of buildings, procurement and distribution of supplies, disposal of surplus property, traffic and communication management, stockpiling of strategic and critical materials, and preservation and disposal of records. It serves as the primary DOD source for GSA procured items of supply, except in cases wherein the DOD delivery requirements for the items might not be accommodated.

(2) The basic GSA organization, at headquarters and regional levels, consists of five major functions:

- (a) A Federal Supply Service
- (b) A National Archives and Record Service
- (c) A Property Management and Disposal Service
- (d) A Public Building Service
- (e) A Transportation and Communication Service.

Note: This chapter is limited to discussion of only the Federal Supply Service functions, organizations, and operation.

(3) These services are provided through 10 regional offices, each being responsible for all GSA function applicable in its geographic area. The regional offices are located in Boston, Mass.; New York City; Washington, D. C.; Atlanta, Ga.; Chicago, Ill.; Kansas City, Mo.; Fort Worth, Tex.; Denver, Colo.; San Francisco, Calif.; and Auburn, Wash. The geographical areas of responsibilities assigned to each of the regional offices are shown in Figure 6.

c. Federal Supply Service (FSS)

(1) The Federal Supply Service system integrates the functions of procurement, distribution, inventory management, cataloging, standardization, and quality control. It involves the procurement, receipt, management, storage, and distribution of materials and equipment, either from stocks maintained in a system of distribution depots or by procurement from suppliers for direct delivery to ordering agencies. The system capability interfaces with DOD activities in the use of the standardized requisitioning system (MILSTRIP) and the uniform materiel issue priority system (UMMIPS). Four major programs are used in carrying out these supply and service support responsibilities to military and civil agencies.

(a) Depot Stock Program. This program includes all items stocked in GSA supply depots and self-service stores, which are considered physically suitable for storage and whose overall requirements are repetitive and can be reasonably forecasted. It provides immediate availability to meet the needs of requisitioning activities.

(b) Federal Supply Schedules. Many items purchased by GSA cannot be stored economically in its depots for redistribution because they might have a wide range of variable characteristics requiring selectivity in procurement or might be readily available at reasonable costs from the nationwide distribution system of the manufacturer. Procurements of these items are arranged by making Federal Supply Schedule Contracts. The requiring

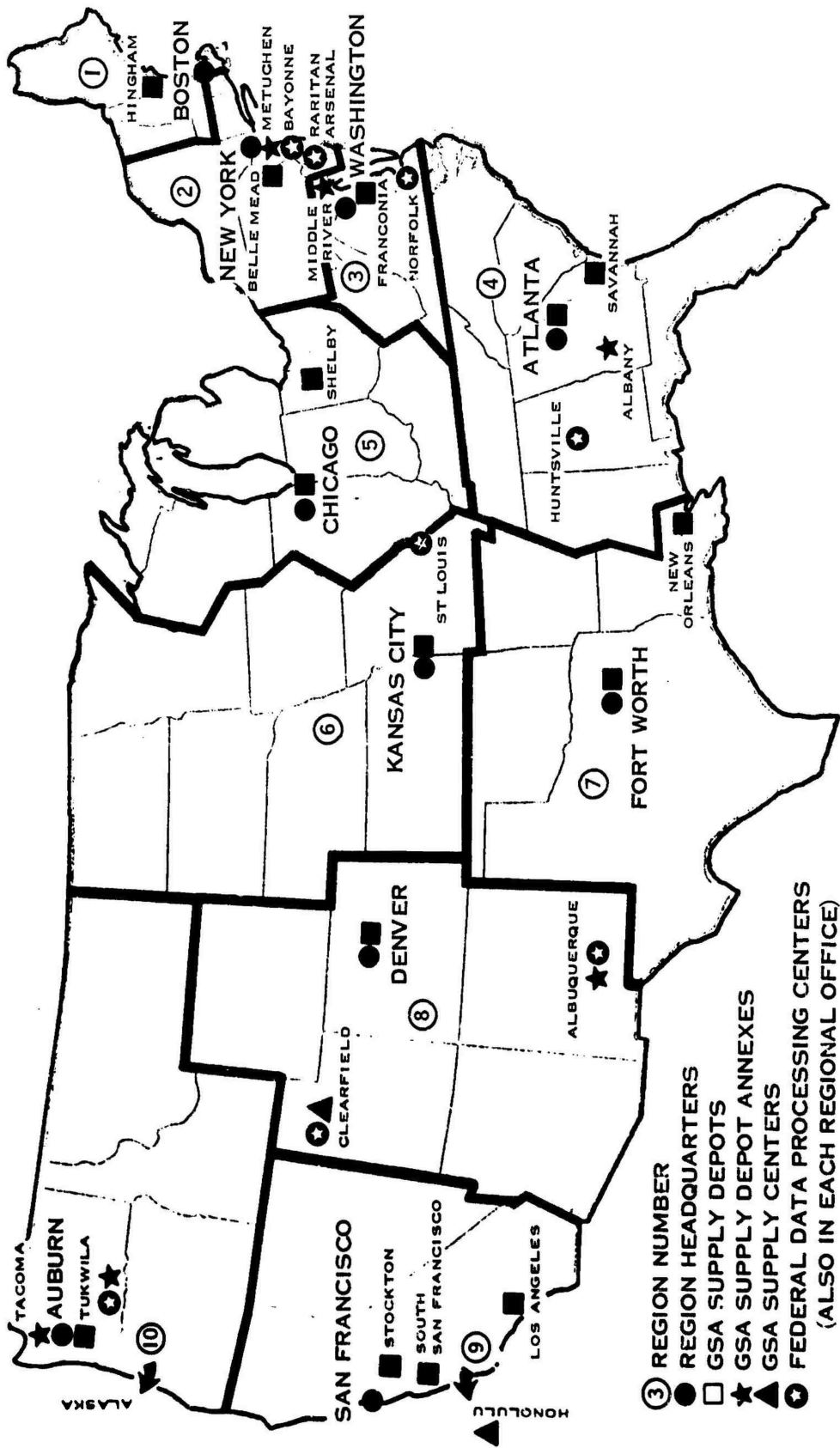


FIGURE 6. GENERAL SERVICES ADMINISTRATION REGIONAL AREAS AND FEDERAL DATA PROCESSING CENTERS

GSA/DSA SUPPORT

installation or activity orders directly from the commercial supplier under contract for direct delivery and billing to the ordering activity.

(c) Direct Delivery Procurement. Certain items that are not normally available from GSA depots or through Federal Supply Schedules are procured under the GSA National Buying Program. Procurements are for definite quantities for direct shipment from the supplier to the ordering activity.

(d) Local Purchase/Decentralized. Some decentralized GSA managed items are authorized for local purchase as a regular means of support. GSA will furnish procurement support if the requisitioning activity is unable to procure locally or does not possess suitable procurement capability.

(2) At the central office level, the FSS is organized into the five following major program areas (shown in Figure 7). Each regional activity has a counterpart organization to that of the central office.

(a) Office of Automated Data Management Services. This office is responsible for the purchase, lease, maintenance, operation, and utilization of automatic data processing equipment by Federal departments and agencies.

(b) Office of Procurement. This office manages a program to provide purchasing and contracting services for all Federal agencies and inventory management services in support of the GSA supply distribution program.

(c) Office of Standards and Quality Control. This office is responsible for control of the quality of materials procured, for the development of Federal Specifications and Federal Standards for common use items procured by Federal agencies, and for maintenance of a uniform Federal Catalog System.

(d) Office of Supply Distribution. This office manages nationwide wholesale and retail (self-service stores) supply system for the storage and distribution of common-use items of supply to all Federal agencies, including support to overseas and the establishment and operation of self-service stores.

(e) Office of Supply Management. This office develops, coordinates, and monitors the integrated Government-wide supply system for the procurement and supply of personal property and nonpersonal services; conducts surveys and studies of Federal Agency supply operations to improve their effectiveness; develops and promulgates supply management policies, procedures, and methods through regulatory issuances and information media; and coordinates the design, installation, and maintenance of the automated supply data processing and communications systems utilized by the Federal Supply Service.

(3) At GSA's regional level complete supply operations are conducted with each region having depot facilities under its control (see Figure 6). Each region is responsible for processing orders from requisitioners located in its defined support area, the management of inventories of depot stocks, and the procurement of items for direct delivery from vendors to ordering agencies. Selected items are contracted for by the Central Office Procurement Operations Division; however, maintenance of adequate levels of depot stocks is a regional responsibility. Slow moving stock items are often restricted to a specific region and designated as key depot items. The key depot is then responsible for worldwide supply support of such items. Orders received by a region for key depot items are automatically referred to the appropriate key depot.

(4) Initially GSA's support to the military agencies was limited to items specifically covered by DOD and GSA Interagency Procurement Assignments established in 1952 and 1953 for office furniture, office supplies, and office machines. Subsequently, certain hand tools, household furniture and equipment, office supplies and equipment, hardware and abrasives, and paint and sealers have been added. Further GSA and DOD agreements were reached covering

GSA/DSA SUPPORT

household appliances (1962), dinnerware and flatware (1962), and other miscellaneous arrangements for supply and service support. In 1963, a Memorandum of Understanding was entered into between GSA and DOD providing for GSA assumption of responsibility for the procurement and management of the bulk of paint and hand tool commodities managed until that time by the Defense Supply Agency; however, provisions were made for DSA to retain responsibility for selected functions associated with the management of items in these Federal Supply Classes, such as general mobilization reserves, industrial mobilization planning, standardization, provisioning, cataloguing, procurement of overseas Army and Air Force decentralized items, and procurement of Service weapon system related items managed by them in these classes.

(5) Distribution of GSA supplies to all Government agencies is accomplished through a nationwide network of 26 warehouse facilities and 46 self-service stores. In addition, GSA also has assets, capitalized from the Defense Supply Centers as a result of logistical transfers, which are located in Defense Depots Richmond, Memphis, Columbus, Ogden, Tracy, and the Atlanta Army Depot. Materiel at these locations is distributed by means of Materiel Release Orders transmitted to the storing military depot by the accountable GSA region. The Federal Supply Service currently stocks about 50,000 common-use items in its depot system with an inventory value of approximately \$225 million.

(6) The Federal Supply System is capable of reacting to a variety of requisitioning channels in support of overseas military activities. The Defense Transportation System, including Military Standard Transportation and Movement Procedures (MILSTAMP), is utilized by GSA for the movement of materiel to overseas military activities. In the case of the Army, which operates overseas depots, GSA accepts large orders from their depots or inventory control centers. For the Air Force, which does not maintain overseas depots, requisitions are accepted directly from each overseas base. Navy ships requisitions are generally processed through the Naval Supply Centers at Oakland, California, and Norfolk, Virginia, then to GSA if stocks are not available at the centers. The bulk of the Navy ships requirements, however, are requisitioned by the Major Tidewater Supply Centers directly upon GSA for replenishment in wholesale quantities.

(7) Transportation. The Federal Supply Service is an exclusive user of commercial transportation in support of their CONUS materiel distribution system. Shipments of materiel to customers within the CONUS are accomplished through contracts with commercial carriers. Shipments to overseas customers are transported to ports of embarkation (surface/air) by commercial means, where they are booked with the Military Traffic Management and Terminal Service (MTMTS) for forward movement by the Military Sea Transport Service (MSTS) or Military Airlift Command (MAC), as appropriate.

3. CHANGES DURING VIETNAM ERA

a. General. Several changes in item management responsibilities between the Services and DSA and GSA occurred during the Vietnam era. Also, other support programs were enlarged to provide expanded and improved support to the customers. In addition, the increasing intensity of combat activity experienced in SE Asia led to greatly increased support requirements. In DSA, for example, procurements in FY 67 increased to \$6.2 billion, an amount doubling that spent only 2 years before. The following are considered to be among the more significant of the changes.

b. Special Management Attention. DSA's program of providing special management attention to supply items already in its inventory, which are identified as supporting weapons systems, was greatly expanded during the Vietnam era. The program, initiated in 1964 with 3 weapons systems (the Army's Hawk, the Navy's Polaris, and the Air Force's Minuteman, involving a total of 23,000 DSA items) has experienced a continuous growth to the current level of 32 systems covering approximately 223,000 DSA items.

c. Special Purchase Mission. DSA's special purchase mission (SPUR) originally providing overseas support to Army and Air Force activities (excluding the Pacific Air Force) for

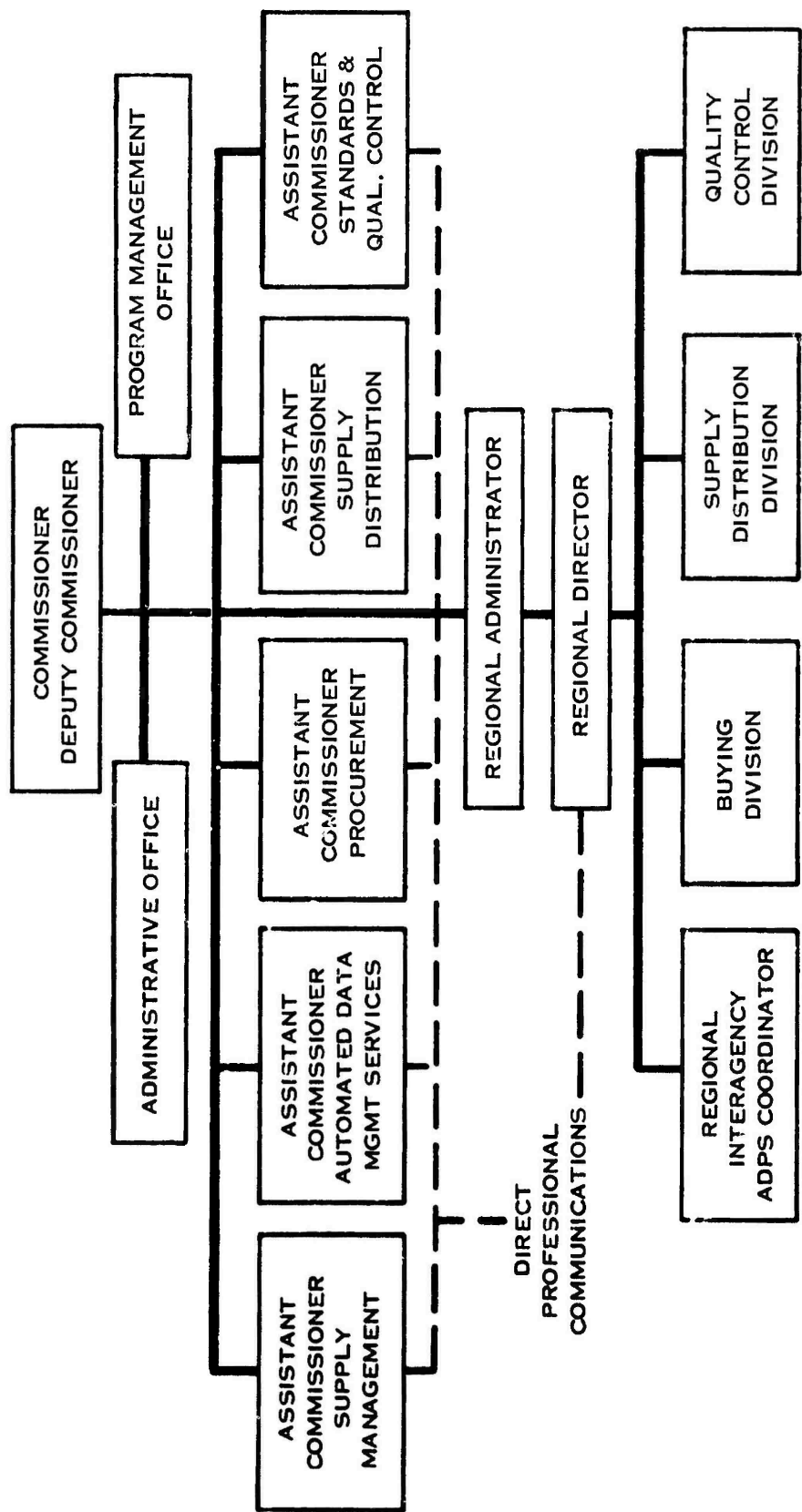


FIGURE 7. FEDERAL SUPPLY SERVICE ORGANIZATION CHART

decentralized, non-stocked, and non-catalogued items was extended to include the Pacific Air Force activities in January of 1967.

d. **Item Management Assignments.** An agreement, reached on 1 July 1967, transferred item management responsibilities from DSA to GSA for 53 Federal Supply Classes involving approximately 17,000 items of property. In August 1967 DSA's management role for previously retained items and functions, involving about 1300 items in the paint and hand tool classes as well as the 53 primary GSA classes, was eliminated. In addition, other items were transferred directly from the Services to GSA for management under the revised DOD policy. In summary, 68 Federal Supply Classes comprising a total of some 68,000 items with an inventory value of \$120 million were transferred to GSA from DOD, the Services, and DSA during the Vietnam era.

4. SUMMARY

a. The responsibility for providing timely and adequate logistics support to the U.S. military forces is shared by the Services, the Defense Supply Agency, and the General Services Administration as partners in the management of military support materiel. Although the concept of integrated materiel management was being tested under combat conditions for the first time in Vietnam, the support provided to the Services by the integrated managers, mainly DSA and GSA, was satisfactory.

b. The support roles played by DSA and GSA increased significantly during the Vietnam era. DSA's responsibilities for item inventory management increased from 1,305,000 items in 1965 to the current total of 1,964,000 items. Although established in 1949, GSA did not commence significant supply support to the military until 1963. Its role in supporting the military has grown to the point that GSA is now responsible for inventory management of more than 68,000 Service interest items of supply.

c. DSA, consisting primarily of the headquarters, 6 Defense Supply Centers, 4 Defense Depots, 4 Service Centers, and 11 Defense Contract Administration Service Regions, manages on a commodity basis with the various management centers managing worldwide support for certain specified classes of supply. GSA, on the other hand, is divided into a headquarters and 10 regional activities. In GSA's case, each region generally stocks a full range of support for all activities located within its geographical area of responsibility. Designated regions also provide support to overseas areas. Both management systems, commodity for DSA and geographic for GSA, appear to have performed well in providing support to the Services during the Vietnam era.

CHAPTER III
ITEM MANAGEMENT CODING

CHAPTER III

ITEM MANAGEMENT CODING

1. **INTRODUCTION.** Item Management Coding is the process by which the Services determine if individual items of supply, identified within Federal Supply Classes (FSCs) assigned for integrated management and subject to item management coding, are to be excepted from such assignment and retained for management by the Services. The coding, applied by the respective Service, is based on the established Department of Defense (DOD) policy and criteria and designates whether the coding Service or the integrated manager, the Defense Supply Agency (DSA) for most items, will manage the supply items under consideration. The General Services Administration, the Army Tank and Automotive Command (TACOM), the National Security Agency, and the Defense Atomic Support Agency are also integrated supply managers but on a much smaller scale. Under the coding procedure, unless an item qualifies for excepting under one or more of the coding criteria, it must be assigned for integrated management.¹ However, not all classes of supplies assigned for integrated management are subject to the coding process. Certain FSCs covering subsistence, medical, clothing and textiles, and fuels, with some exceptions, are exempt from item management coding and are automatically managed by the appropriate integrated manager.² Approximately 45,000 of the 1,964,000 DOD items managed by DSA are so exempted. When new items enter the DOD supply system or when items are reclassified into FSCs assigned for integrated management, the provisioning or reclassifying Service applies the coding criteria and determines the appropriate manager for each item.³

2. **PURPOSE.** The purposes of the chapter are (1) to examine the current Item Management Coding criteria as to their adequacy for assigning item management responsibilities for supply items in FSCs assigned for integrated management; (2) to look into probable future actions deemed most likely to be forthcoming in the program; (3) to determine the initial (implementing), on going (current) and future (forecasted) impacts of the item management coding programs upon the Services; and (4) to determine findings, reach appropriate conclusions, and develop implementable recommendations concerning the Item Management Coding criteria being used within the Department of Defense supply system.

3. STATEMENT OF THE ISSUE

a. The 1959 decision by the Office of the Secretary of Defense (OSD) to expand integrated item management concepts to FSCs other than the so-called homogeneous uncomplicated FSCs, necessitated the development of criteria for use in determining items to be excepted from integrated management.

b. Although the criteria eventually selected were developed and tested by joint OSD, DSA, and Services groups and were approved by the Defense Materiel Council, their application has not necessarily been a simple operation in all cases. For example, the considerable physical effort required by the sequential filter method of applying the criteria to the great volume of items involved has generated comment for the development of a simpler method of application.

¹DOD Manual 4140.29-M, subject: Item Management Coding, 1 July 1965, Chapter 2, paragraph 2c.

²DOD Instruction 5105.30 (Change 1), subject: Items Assigned to the Defense Supply Agency for Integrated Management, 30 April 1965.

³DOD Manual 4140.26-M, subject: Item Management Coding, 1 July 1965, Chapter 1, paragraph 1-C.

⁴DOD Manual 4140.26-M, subject: Item Management Coding, 1 July 1965, Chapter 2, paragraph 2c.

DSA/GSA SUPPORT

It has also been suggested that the number of criteria involved might be reduced because some have found little or no application, while at the same time, considerable concern has been expressed over the failure to include single-service use as a criterion for excepting items from integrated management.

c. These points serve to highlight the issue addressed in this chapter, which is the suitability and adequacy of the earlier developed Item Management Coding (IMC) policies and procedures in view of current situations and needs.

4. METHODOLOGY. The review of the IMC criteria covered in this chapter was conducted in the following manner.

a. Department of Defense Directives and Instructions, OSD Memorandums and Letters, Service and Defense Supply Agency Regulations and Manuals, Defense Materiel Council Minutes and Reports of various conferences and meetings dealing with the subject of IMC criteria were reviewed to gain insight into the development and implementation of the IMC program.

b. IMC statistical and historical data were obtained from the DSA, the OSD, and the Services to reflect IMC actions and item migration trends during the Vietnam era.

c. The OSD, the Services' Headquarters, the DSA, and the GSA positions and comments concerning the IMC criteria and their applications were solicited through personal contact and formal correspondence for review and inclusion in this study.

d. Field activities and Inventory Control Points (ICPs) were visited, briefings were obtained, and interviews were conducted to obtain first-hand information and comments regarding the IMC program and criteria problems and their impacts, both favorable and adverse.

e. The data obtained through the above procedures were reviewed and analyzed in arriving at appropriate IMC criteria conclusions and recommendations.

5. BACKGROUND

a. Initially, beginning in 1956, integrated management was accomplished by designated Single Manager Operating Agencies (SMOAs) established within the Services under OSD charters. Each single manager assignment included all items in the FSCs involved. This was feasible because the classes were homogeneous, uncomplicated, and consisted primarily of soft goods such as food, clothing, textiles, medical, and packaged petroleum products.

b. With the integration of Industrial and General Supplies in 1959, the problem of selecting the proper specific items, within the FSCs involved for integrated management, developed. In these instances, the transfer to integrated management of all items in the classes was not feasible, because these classes encompassed technical repair parts and accessories that should be managed only in conjunction with the equipments upon which they were used.

c. The problem of identifying items for integrated management was compounded by the designation of additional commodity areas for integrated management. This included construction and automotive materiel in 1960, electronics in 1962, chemicals in 1963, and electrical materials in 1964. Also in 1964, the so-called 45-Class Package of Army managed items was transferred to DSA at the time of the disestablishment of the Army Mobility Support Center.

d. Early in the program the OSD recognized the problem of identifying items for integrated management and, beginning in 1959, published a series of three Operational Notices as guidelines to the Services in selecting items for integrated management.⁴ The criteria contained in these notices were to be used to identify support items vital to and inseparable from weapons systems management, and to distinguish weapon system items, unstable in design items and other major end items of equipment, from those common type of items susceptible to

⁴Armed Forces Supply Support Center, Operational Notice, Numbers G-1, G-2, and G-3.

integrated management. By 1964, four distinct sets of criteria had been issued, each applicable to commodity areas. The periodic addition of new criteria to those already in existence tended to complicate and delay coding actions.

e. Several unsuccessful attempts were made to institute single uniform criteria. Finally, in October 1964, revised criteria were developed that were generally considered to establish uniform and specific guidance that would permit the retention of items, in FSCs assigned for integrated management, for Service management when warranted. The criteria did not permit Service retention of an item for management solely because it might be used by only one Service. The Defense Materiel Council accepted the revised criteria and late in 1964 directed an applications test thereof. At the April 1965 Defense Materiel Council meeting, the findings and recommendations developed by the test were presented and approved with minor revisions to the criteria.⁵ This final version was published in DOD Instruction 4140.26, 30 April 1965.

f. The OSD has also designated the GSA, the Army Tank Automotive Command, the National Security Agency and the Defense Atomic Support Agency as integrated managers for items in selected FSCs.

6. IMC CRITERIA REVIEW

a. The current IMC policy specifies that all federally stock numbered items in FSCs designated for integrated management will be assigned to the appropriate integrated manager except the following.

(1) Major End Items of Equipment. These are items of such importance to the operating readiness of operating units that they are subject to continuing centralized individual item management and asset control throughout all command and support echelons.

(2) Repairables. These are centrally managed recoverable items designated as repairables because repair of unserviceable quantities of the items are considered by the inventory manager in satisfying requirements prior to, or in conjunction with, determining procurement quantities.

(3) Single Agency. These are items assigned to a single agency other than the DSA for integrated management or control. (These include items controlled by the Atomic Energy Commission or National Security Agency, or items assigned to other Service agencies for integrated management.)

(4) Design/Engineering Control. These are items requiring approval for issue on a case-by-case basis because of design/engineering reasons.

(5) National Vital Program. These are items requiring extraordinary management control techniques and close surveillance within the supply system to ensure the successful execution of a nationally vital program. (For such program-related items, the Services must obtain special exemption from integrated management from the Assistant Secretary of Defense (Installation and Logistics) (ASD) (I&L).) NOTE: This criterion has only been used on one occasion, which was by the Navy in connection with their Sub-Safe program.

(6) Unstable In Design. These are items determined by technical decision during the provisioning cycle, during introduction into logistics systems or at the time of item management coding, to be highly subject to either:

(a) Design changes of the item itself; or

(b) Replacement of the item itself through modification of the applicable next-higher-assembly.

⁵Minutes of the Defense Materiel Council Meeting on Item Management Coding 29 April 1965.

These items will be reviewed for recoding when:

- (a) The item manager is notified that the item is used by another Service; or
- (b) The design becomes stabilized; or
- (c) The item has been in operational use for 2 years.

(7) Source Control. These are items for which the design control activity, including a Government activity, has imposed source control restrictions by specifying approved sources and requiring that all other sources be approved by the design control activity. These items will be reviewed for recoding whenever source control restrictions are removed by the design control activity.

(8) Special Categories. This covers materiel not normally replenished through wholesale supply system channels and is limited to:

- (a) Items fabricated at a military industrial activity for local use or direct issue.
- (b) Items designed by and fabricated at military industrial activities and not subject to procurement from civilian industrial sources.
- (c) Items categorized as modification/alteration/conversion sets or kits intended for one-time use.
- (d) Items requiring a procurement capability outside the United States.

(9) Weapons System Consumables. These are consumable items that are directly related to assigned weapons systems in the performance of their primary missions, unless:

- (a) Covered by fully coordinated Federal or military specifications or standards; or
- (b) Covered by industrial specifications or standards; or
- (c) Commercial parts or items.

(10) Selected Mission Essential. These are items of special importance to the performance of military missions, selected at staff headquarters of the Military Service Chiefs and approved by the ASD(I&L). Note: To date this criterion has not been used by any Service.

b. The IMC procedures now require the Services to conduct comprehensive reviews in determining the applicable retention or transfer code to be assigned to items in the FSCs assigned for integrated management. This review necessitates a greater effort than had been required under the former criteria contained in the Armed Forces Supply Support Center operational notices. Currently, each item must be reviewed through a sequential filter screening to determine whether it meets any of the criteria for Service management. Items that do not meet a Service management criterion must be coded for, and transferred to, the integrated manager designated for the class. Figure 8 shows the required sequential filter screening process.

c. Subsequent to the publication of DOD Instruction 4140.26, OSD established an additional coding policy entitled "Permissive Coding," which allows the Services to transfer management of items to DSA even though they may meet one of the criteria for retention for Service management. The coding is for application to selected Service peculiar items that are easy to manage, have no apparent production problems, and would generally fall within common categories such as bolts, nuts, pins, and gaskets. This

ALL FEDERALLY STOCK NUMBERED ITEMS IN THE FSC(S) ASSIGNED TO DEFENSE SUPPLY AGENCY WILL BE ASSIGNED TO THAT AGENCY FOR INTEGRATED MANAGEMENT, EXCEPT:

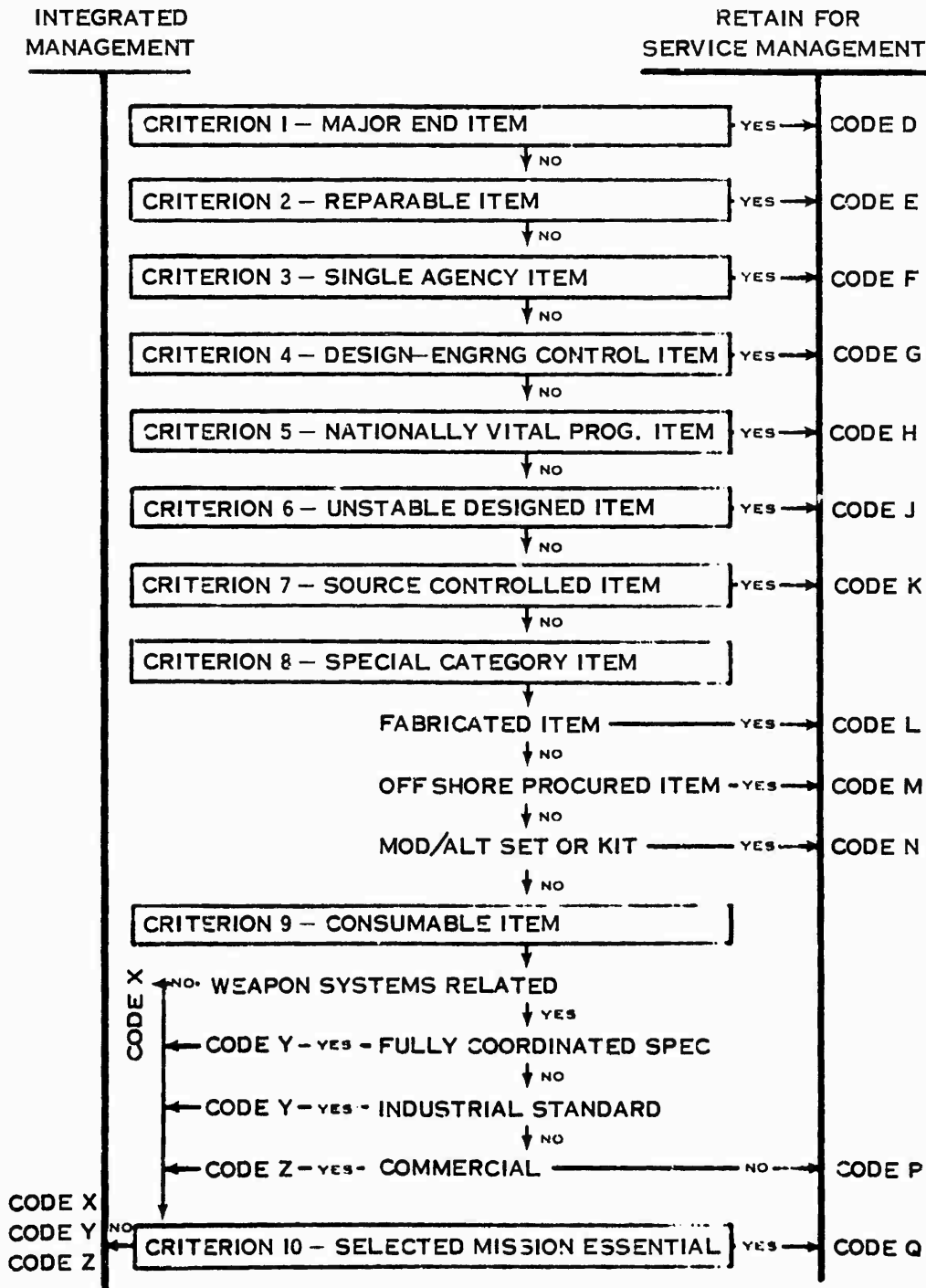


FIGURE 8. ITEM MANAGEMENT CODING CRITERIA FILTER CHART

policy allows the Services to transfer management of these types of items to DSA and thereby to concentrate their management resources on major and harder-to-manage items.⁶

7. RETROACTIVE IMC PROGRAM. With the establishment of the current IMC criteria in 1965, a Retroactive IMC Program was initiated which required the Services to apply the new criteria to all items within FSCs assigned for integrated management that had been retained for Service management under the earlier criteria. Items that failed to qualify under the new criteria were to be transferred to the appropriate integrated manager.⁷ Although almost a million items were involved and the project was to be accomplished during the period of maximum Vietnam buildup, each Service completed its portion of the program within the 30 months allotted for the project (1 July 1965 to 31 December 1967). The overall DOD-wide results of the project are shown in Table 3.

8. CODING CONFLICTS

a. Numerous coding conflicts have occurred on items that were managed by two or more Services. Conflicts result when one Service codes an item for integrated management while another codes the same item for retention under Service management. The following are typical examples of coding conflicts that can and do occur.

(1) One Service may code an item as a depot repairable, thus justifying retention under Service management, whereas another Service might well code it for integrated management by determining that it should be repaired locally. Such a split responsibility creates confusion and unnecessary complexity for the management of repairables. In addition, a tendency to duplicate existing engineering and maintenance capabilities and to build an overall slower responsiveness to customer needs for critical items appears equally inevitable.⁸

(2) One Service may code an item as subject to source control, thus justifying retention under Service management, whereas another Service may have a different application for the item that does not require source control restrictions and will accept production from any qualified manufacturer, and consequently codes the item for integrated management.

(3) One Service may code an item as a peculiar weapon system consumable, thus justifying Service management. Another Service may also decide that the item is a peculiar weapon system consumable; however, it may elect to apply permissive coding for integrated management.

b. Efforts are made by the DSA Defense Supply Centers and the Service ICPs to resolve the coding conflicts resulting from cases such as those cited above. Resolution in these instances requires that all using Services either agree to integrated management or the items must be returned from DSA management to the Service that had coded the item for integrated management. A great many conflicts are resolved through these efforts. As of 1 March 1970, some 14,000 cases were undergoing resolution.⁹ Under the original guidance, DOD Instruction 4140.26, dated 30 April 1965, some unresolved hard-core conflicts were anticipated and condoned. However, on 1 May 1969 additional guidance was issued to the Services and DSA on resolving conflicts, and on handling of proposals to return items to Service management that had been previously coded for integrated management.¹⁰ This policy provides that individual items of supply once placed under integrated management (by any Service) will normally remain thus assigned, unless the proposing Service can justify that continued integrated management will have a demonstrated adverse effect on mission performance. It is now required that unresolved hard-core conflicts and the return of items to Service management be processed through the logistics headquarters of the respective Service. If still unresolved, the actions are forwarded

⁶DOD Manual 4140.26-M, (Change 3) subject: Permissive Coding Actions, 1 November 1966.

⁷DOD Manual 4140.26-M, subject: Item Management Coding, 1 July 1965.

⁸Commander, AFIC, Letter to JLRB, subject: Item Management Coding of Repairable Items.

⁹19 February 1970.

¹⁰Data provided by DSAH-OPL, via telecon, 2 March 1970.

¹⁰ASD (d&L), Memorandum, subject: Resolution of Item Management Coding Conflicts, 1 May 1969.

TABLE 3
DOD-WIDE ITEM MANAGEMENT CODING RESULTS
30-MONTH RETROACTIVE IMC PROGRAM
(Items - Percentage)

Military Service	Total Reviewed	Withdrawal of Interest	Coded for Integrated Management		Coded for Service Management
			DSA	Non-DSA *	
Army	224,512 - 100%	49,355 - 22.0%	107,510 - 47.9%	42,819 - 19.1%	24,828 - 11.0%
Navy	359,677 - 100%	42,980 - 12.0%	219,748 - 61.1%	1,157 - 0.3%	95,792 - 26.6%
Air Force	321,719 - 100%	95,076 - 29.6%	166,731 - 51.8%	1,344 - 0.4%	58,568 - 18.2%
Marine Corps	90,324 - 100%	41,174 - 45.6%	41,049 - 45.4%	1,604 - 1.8%	6,497 - 7.2%
Total	996,232 - 100%	228,585 - 23.0%	535,013 - 53.7%	46,924 - 4.7%	185,685 - 18.6%

* Non-DSA integrated management includes items assigned to NSA, AEC, and TACOM for management on a DOD-wide basis.

to ASD(I&L) for final decision. The target is to reduce unresolved coding conflicts in the DOD supply system to a level consistent with effective operations.

9. PROBLEMS ENCOUNTERED

a. One significant problem (cited by the Services, DSA, and GSA) that continues to plague the operation of the system involves the transferring of management responsibilities for items having "dry pipelines" to the integrated managers. A full pipeline is defined as a sufficient quantity of assets on-hand and/or on order to meet forecasted demands through a period equal to the procurement lead time plus the safety level and protectable mobilization reserve assets. The problem involves items being coded for transfer to an integrated manager, and when the Effective Transfer Date (ETD) arrives there are few or no assets available for transfer. This situation has resulted, on many occasions, in the integrated manager assuming management of items without sufficient assets available for customer support. Although the responsibility for maintaining full pipelines in these cases rests with the Services and they should transfer a full pipeline on the ETD, they often do not have sufficient funds to procure all assets needed to maintain full pipelines. Each Service has requested that their commodity managers maintain full pipelines where authorized and to the extent that funds allow. NOTE: Attempts to quantify the scope of this problem through inquiry to DSA were not successful because the desired item and dollar data were not available.¹¹

b. Another frequently cited problem is the alleged lack of technical data provided with the transfer of items to integrated managers and also in cases where items are being returned to Service management. The term alleged is used because, in some instances, technical data considered adequate by the Services were provided to the integrated manager at the time of item transfer; however, the receiving manager considered the data inadequate for his requirements. In some cases the objections were technical in nature such as problems encountered in transferring specifications and drawings to the microfilm system used by DSA's Centers, or deterioration in the quality of data resulting from long storage. In other instances, the Services might have been procuring items from known manufacturers or sources of supply and therefore did not need complete technical data, whereas the integrated manager might need complete and current data in order to purchase under competitive procurements. On the other side of the coin, there are the cases where the integrated manager may discard technical and historical data on items received from the Services as unsuitable or unnecessary. Should the item later be returned for Service management, these data are no longer available for return with the item, thereby creating voids in the management data necessary in the Services' system.¹²

10. APPLICATION OF IMC TO NEW ITEMS. The foregoing discussion has been addressed primarily to the action under the Retroactive Item Management Coding Program and earlier integrated management assignments involving the application of criteria to items that were in the Services' supply system, and on which the Services had been performing management responsibilities. The IMC reviews made were to determine whether such items could be retained for Service management under the IMC criteria or be transferred to an integrated manager. In addition to the above applications, IMC is also applied to new items as they enter the DOD supply system using the same criteria.¹³ During the provisioning of new equipments, repair parts required in the support of the end items and that fall in FSCs assigned for integrated management are screened against the IMC criteria, and unless qualifying for excepting, are coded for integrated management during the provisioning cycle. In some of these cases, DSA experienced problems in obtaining the assets with which to provide adequate support because of the inadequacies of the current provisioning procedures for supporting crash type and commercial end-item procurements and/or deployments.¹⁴

¹¹ DSA, Memorandum, DSAH-IM, subject: Review of DSA Support, Request for Information Concerning, 1 July 1969.

¹² Assistant Secretary of the Army, Memorandum, subject: Request for Information Concerning Item Management Coding, 24 March 1970, and Headquarters USAF Letter, AFSSS, subject: Request for Information Concerning Item Management Coding (IMC), 30 December 1969.

¹³ Department of Defense Instruction 4140.26, subject: Item Management Coding of Items in Federal Supply Classes Assigned to the Defense Supply Agency, paragraph III, D., 30 April 1965.

¹⁴ Chapter 4, Supply Support, DSA/GSA Support Monograph, JLRB Report.

11. IMPACTS FROM INTEGRATED MANAGEMENT

a. In response to the Joint Logistics Review Board inquiry concerning the impact of integrated management on supply support, each Service indicated that the support received from the integrated manager during the Vietnam era has been satisfactory. Most responses indicated that there were no adverse impacts upon their performance resulting from integrated manager support. There were, of course, instances of difficulties involving specific items; however, the Services indicated that, with few exceptions, these were expeditiously and agreeably resolved.

b. On the other hand, each Service, the DSA, and almost every individual and activity contacted during the course of this study expressed concern over the timing of the implementation of the retroactive IMC program. The tremendous extra work load engendered by the requirement to review almost one million items under the new and expanded IMC criteria during the period of largest buildup in actions in support of Vietnam operations almost certainly diluted, to some degree, the Services' ability to support the SE Asia efforts. It was generally recommended that in the future such undertakings be deferred for later accomplishment rather than being accomplished during periods of intensive buildup.¹⁵ NOTE: Trends in item management reassignments during the Vietnam era are shown in Table 4.

c. Criticism was expressed over the techniques for applying the criteria and also the failure to include Single Service Use as an excepting criterion. However, with the exception of criterion #10, Selected Mission Essential Items, which has never been used, and criterion #5, Nationally Vital Program, which has been used only on a single occasion by the Navy, the criteria appear to have proven effective in determining item management assignments and have gained general Services' acceptance. The IMC criteria, arrived at jointly after great and prolonged deliberation, have withstood the test of over one million coding actions, and are still, so far as can be determined, supported by the Services. This support was reaffirmed by Senior Service Logisticians during the IMC conference held at Warrington, Virginia, in late 1969.¹⁶

12. SINGLE-SERVICE USED ITEMS

a. The Air Force, the Navy, and the Army questioned the wisdom of excluding single-service use as a criterion for Service retention of item management. The Air Force commented that they could see no economic or logistical advantage to coding single-service used items to an integrated manager. If the Army, the Navy, or the Air Force was the sole user of an item, no benefits were realized in coding the item to DSA for management and the relinquishing of depot stocks, technical data, and direct customer support to another manager.¹⁷ In pointing out certain advantages resulting from DSA and GSA management of items, the Army states that such management relieves the Army from expending its efforts on managing very minor type, easily managed items and permits the Army Commodity Commands to concentrate their limited resources on the more important and hard-to-manage types of items that have a significant effect on readiness. This reasoning would seem to be equally applicable to single-service used as well as multiservice used items. However, the Army further states that when an item is used by only one Service, there is no apparent advantage to transferring the item to another agency for integrated management and that it does not result in either economic benefits or

¹⁵GSA, Letter, subject: Request for Information Concerning Item Management Coding, 8 December 1969.

HQ USAF, Letter AFSSS, subject: Request for Information Concerning Item Management Coding, 30 December 1969.

Office of the Chief of Naval Operations Memorandum, subject: Information Concerning Item Management Coding, 6 March 1970.

HQ, USMC, Memorandum, subject: Item Management Coding, 4 December 1969.

Assistant Secretary of the Army Memorandum, subject: Request for Information Concerning Item Management Coding, 24 March 1970.

¹⁶ASD (I&L), Special Memorandum to the JLRB, subject: Item Management Coding, 24 November 1969.

¹⁷Hq, USAF, Letter AFSSS, subject: Request for Information Concerning Item Management Coding (IMC), 30 December 1969.

TABLE 4
TRENDS IN ITEM MANAGEMENT ASSIGNMENTS DURING THE VIETNAM ERA

	No. of Items of Items in DOD	No. of Items in Non-DSA Classes	No. of Items in DSA Classes	No. of Items Serv. Mgd. in DSA Classes	No. of Items DSA Mgd. in DSA Classes
1 July 1965	3,838,000	1,429,000	2,409,000	1,104,000	1,305,000
1 July 1967	3,967,000	1,490,000	2,473,000	860,000	1,613,000
1 July 1969	4,027,000	1,580,000	2,447,000	483,000	1,964,000

improved supply effectiveness.¹⁸ The Navy's position is that if the items considered are of a family grouping of items--such as bearings--already managed by DSA and which may have characteristics that enable them to be adopted ultimately by other Services, then their assignment to DSA for management would not be regarded with disfavor. If, on the other hand, the items are of such unique characteristics that they can be identified as having no ultimate usage beyond one Service, then their assignment to DSA would serve no useful purpose and could lead to future problems in the procurement process.¹⁹

b. Several comments were received during the review concerning the assignment of single-service used items to integrated managers. The following Army comment is presented as being generally typical of those that seemed to question the meaning being applied to the term common type of item. "The original charter of the Defense Supply Agency was designed to establish an integrated manager for all common type items."

c. This point of commonness was addressed by a Joint Study Committee (Project 100), established by the Secretary of Defense to consider alternative plans or organizations and management of common supply and service activities, in their committee report dated 11 July 1961.²⁰ A portion of their report titled "What are 'Common' Supplies" discusses the intended meaning of the term common supplies as used in the establishing of integrated management activities (DSA) within the DOD, and is quoted for clarification of this point.

"Only part of the items in the supply systems constitute common supplies. Strictly speaking, 'common' supplies are identical items which are used by two or more of the military services. Since there are many factors which determine whether an item is identical, generally the only practical way to determine whether an item used by one service is identical with an item used by another service is by use of the Federal Stock Numbers; i. e., if the items have the same stock numbers, they are identical. In this strict sense, only relatively few items (less than 20%) are 'common.' "

"Early in the history of integrated supply management it was recognized that the potential benefits of integrated management are not limited to those circumscribed by the number of items which are 'common' on the basis of Federal Stock Numbers. Accordingly, when the Single Manager Plan was first conceived and implemented, the term 'common-use' items was used. 'Common-use' items were defined as 'a class or category of items, of commercial type, largely non-technical in nature, generally used throughout the military and civilian economies.'

"Perhaps the clearest explanation of the difference between 'common' and 'common-use' items is to use clothing as an example. Military uniforms are not 'common' in the strict sense, since Army, Navy, Air Force, and Marine Corps uniforms are distinctly different from each other. However, they are 'common-use' items under the above definition because they are items of clothing, and 'clothing' is a class or category of items of commercial type, largely non-technical, and generally used throughout the military and civilian economies.

"The 'common-use' approach to integrated management was adequate for the relatively simple commodity groups involved in the four initial Single Manager assignments: subsistence, clothing and textiles, medical and dental supplies, and petroleum products. These four Single Manager assignments were made on the basis of whole Federal Supply Groups and Classes, without screening each item in each class.

¹⁸ Assistant Secretary of the Army, Memorandum, subject: Request for Information Concerning Item Management Coding (IMC), 24 March 1970.

¹⁹ Chief of Naval Operations, Memorandum, subject: Information Concerning Item Management Coding.

²⁰ Secretary of Defense, Memorandum, subject: Integrated Management of Common Supply and Service Activities, 23 March 1961.

"However, as the Department began to consider for Single Management assignments the areas of General Supplies, Industrial Supplies, Automotive Supplies, and Construction Supplies, it became apparent that in these groups of more technical items there were some items which could be assigned to a Single Manager, but there were also other items which, for various sound reasons, must be managed by the individual services. It was, therefore, necessary to devise a means of selecting those items which could be assigned to a Single Manager and those which must remain under individual service management. This was accomplished by the use of criteria against which all items in the classes under consideration were measured. The established official term for this technique of selecting items for integrated management is 'Item Management Coding,' and is defined in DOD Directive 5160.12 dated 10 August 1960 (Appendix B).

"Thus, the term 'common Supplies' as generally used in the military establishment, and as used in this report, refers to those items of supply determined to be susceptible of integrated management, by a single agency for all the military services, through the application of approved Department of Defense criteria."²¹

d. The DOD position of applying the test of commonness to commodity groupings, rather than individual items, in determining areas for integrated management was again emphasized by the Assistant Secretary of Defense for Installations and Logistics in testimony to the Subcommittee of the Committee on Government Operations, House of Representatives, Ninety-First Congress on 25 November 1969. In responding to an inquiry concerning DSA managing items that are used only by one Service, the ASD(I&L) stated in part:

"The point here being that there should be two users before an item is single managed for two or more users. The point that I think we should make here is that there are many items that are unique, different in the overall supply system, that quite logically should be single service managed. Then you can get into commodities; clothing as an example. An example would be the hat of a Navy man or a Marine man, or other portions of uniform. The item is unique to a service but the overall commodity logically should be centrally managed."²²

e. It is significant to note that in commenting on support received from integrated managers, all of the Services advised that the support received, which included both single- and multiservice used items, was generally satisfactory. Although all the Services favored Service retention of single-user items, none indicated that support received on single-service user items was any less than that received for multiservice used items.

13. FUTURE ACTIONS

a. During the course of the study, no indications of plans or proposals for assigning of additional FSCs for integrated management were presented to the JLRB. The general impression received was that all of the FSCs readily susceptible to integrated inventory management were already designated as such.

b. Although it is not anticipated that additional FSCs will be assigned for integrated management, there are two new endeavors underway and/or planned involving Item Management Coding.

c. The first of these is the approved Item Name Program. Under this program certain items that were previously classified in the FSC of the end item with which they were associated will now be reclassified into their proper generic FSC. This action will require item

²¹Project 100, Report of Study Committee, Department of Defense, Integrated Management of Common Supply Activities, 11 July 1961.

²²U.S. Congress, Hearings before a Subcommittee of the Committee on Government Operations, House of Representatives, Ninety-First Congress, First Session, November 20, 25, and December 8, 1969, subject: Military Supply System - 1969.

management coding for all items being reclassified into FSCs assigned for integrated management. The initial estimates indicate that there are about 500,000 items that are candidates for such reclassification. The OSD indicates that the work load is to be spread over the next several years with about 50,000 programmed for the first year.²³

d. The second area that is under consideration at the present time involves duplicate management of items. Currently there are more than 200,000 items in the Federal Catalog that list two or more wholesale item managers. Because these items are not in the FSCs that are under integrated management, they are not now subject to item management coding. The OSD plans to examine these cases in the next few years with a view toward eliminating item management duplications insofar as practicable.²⁴

e. Even though the current IMC criteria have been found to be understandable and workable, they can undoubtedly be refined and improved upon. Accordingly, in connection with the OSD Logistic Plan (Blueprint) effort, a joint OSD, Service, and DSA group review and updating of the current Item Management Coding criteria is planned.²⁵

14. SUMMARY

a. The Item Management Coding program was placed into the DOD supply system in 1959 concurrent with the expansion of integrated management concepts to Industrial and General Supplies. It provides the means for assigning item management responsibilities in these and later assigned, relatively more complicated and technical FSCs. The Item Management Coding Criteria provide guidance in determining whether individual items are to be assigned to an integrated manager or whether retention for Service management is warranted.

b. The initial criteria for determining Services retention eligibility were such that a high percentage of the items had been coded for Service retention of management responsibilities. However, by July of 1965, several additional commodity areas had been assigned for integrated management and new, more limiting policies, procedures, and criteria were issued. Under the new criteria the percentage of items eligible for Service retention has been greatly reduced. In addition to the new items coming into the system subsequent to July 1965, the criteria were also applied, via a Retroactive Item Management Coding Program, to all items previously retained for Service management under the old criteria. As a result of this action, the number of items, in FSCs assigned for integrated management, retained for management by the Services fell from a July 1965 level of 1,104,000 to only 483,000 by July 1969.

c. The imposing of the heavy Retroactive Item Coding Program, more than 996,000 coding actions, upon the Services concurrent with their peak periods of load in support of SE Asia, 1 July 1965 to 31 December 1967, seems to have been questionable. It is believed that deferment of this requirement to a later period of less intense work loading would have enhanced, at least to some degree, the Services capabilities for supporting SE Asia activities.

d. The IMC criteria were arrived at jointly after prolonged deliberation, and it is felt that they have proved effective in determining over one million item management assignments since their introduction into the system. So far as could be determined the criteria have gained general Services' acceptance. Those criteria application problems that were cited, with the exception of conflicting codings concerning repair level decisions, involved the difficulties encountered in getting into the program. It appears that the application of IMC to the new items coming into the Defense Supply System, around 60,000 annually, can and will be accomplished although not without substantial extra work load.

e. The Army, the Navy, and the Air Force questioned the wisdom of assigning single-service used items to integrated managers and could see no particular advantages to be gained

²³ASD (I&L), Special Memorandum, subject: Item Management Coding, 24 November 1969.

²⁴Ibid.

²⁵Ibid.

from such action. However, it seems that such assignments have been within the intent of the integrated manager charters and that the support provided to the Services for these single user items has been satisfactory.

f. No indication of large scale assignment of additional FSCs for integrated management was uncovered during the review. The general impression received at all levels was that those FSCs susceptible to integrated type management were already assigned. Reclassification of certain items, possibly 500,000 into proper generic FSCs and the resolution of dual whole-sale management conflicts on approximately 200,000 additional items in classes not assigned to integrated management agencies are the major item management coding actions now programmed to be accomplished in the next few years.

15. CONCLUSIONS AND RECOMMENDATIONS

a. Conclusions

(1) An Item Management Coding Program, containing appropriate management assignment criteria, is required for assigning management responsibilities for items of supply in Federal Supply Classes assigned for integrated management (paragraphs 5a, 5b, 5e, 5f, and 14a).

(2) Although imposing heavy work loads on the Services and the Defense Supply Agency, the Item Management Coding Program has been successful in determining management responsibility assignments for the approximately 2.5 million items in the Federal Supply Classes designated for integrated management (paragraphs 11a, 11c, and 12d).

(3) The current Item Management Coding policies governing integrated management actions have resulted in substantial increases in the number of items assigned for integrated management (paragraphs 11c and 14b and Table 3).

(4) The timing for accomplishing the Retroactive Item Management Coding Program, concurrent with the Services' and the Defense Supply Agency's peak work loads in support of SE Asia activities, imposed severe and perhaps unwarranted strain upon the logistic capabilities of the Services and the Defense Supply Agency (paragraphs 7, 9b, 14c, and Table 3).

(5) Some of the 1965-developed Item Management Coding criteria have seen little or no application, and the amount of effort required by current procedures for applying these criteria is substantial (paragraphs 3b, 6a, and 11c).

(6) The assigning of Single Service User items for integrated management is within the charters of the integrated managers (paragraphs 12c, 12d, and 14e).

(7) The assignment of additional FSCs for integrated management does not appear indicated for the near future. The item management programs planned for the next few years involve item reassignments rather than entire classes of property (paragraphs 13a, 13c, 13d, and 14f).

(8) The factors upon which the Item Management Coding policies and procedures are based are dynamic and subject to variations in importance and application, thereby warranting periodic review and updating of the Item Management Coding program to ensure currency with existing conditions and situations (paragraphs 6b and 13e).

(9) The Item Management Coding policy of basing management assignments for repairable items upon the Services repair-level decision results in unnecessary hard-core coding conflicts and creates a tendency to duplicate engineering and maintenance capabilities and also results in slower responsiveness in supporting critical items (paragraph 8a(1)).

(10) The assigning of items, of such unique characteristics that they can be identified as having no ultimate usage beyond one Service, to integrated managers serves no useful purpose (paragraph 12a).

b. Recommendations. The Board recommends that:

(1) Item Management Coding policies, procedures, and the criteria be reviewed by the Services (through the Joint Logistics Commanders) and the integrated managers for adequacy in light of current needs, situations, and conditions and that recommendations for updating and simplification be submitted (DSA/GSA-1) (conclusions (5) and (8)).

(2) The following excepting criterion be added to the approved Item Management Coding criteria:

UNIQUE ITEMS - These are items of such unique characteristics that they can be identified as having ultimate usage by only one Service (DSA/GSA-2) (conclusion (10)).

(3) In the future, the Office of the Secretary of Defense give extreme care and consideration to existing commitments and capabilities in determining the timing for accomplishment of programs, such as the Retroactive Item Management Coding Program, that would impose severe added logistics work loads on the Services (DSA/GSA-3)(conclusion (4)).

CHAPTER IV
SUPPLY SUPPORT

CHAPTER IV

SUPPLY SUPPORT

1. INTRODUCTION

a. The Defense Supply Agency (DSA) and the General Services Administration (GSA) military supply support role is unique in that these agencies are solely logistics management organizations, responsive to Services' needs. Neither DSA nor GSA is a substantive consumer (or user) of materiel.

b. The functional alignment between the Services and DSA-GSA in the area of requirements is distinguished particularly by the difference between requirements determination and requirements computation. The determination of requirements is solely the prerogative of the military departments. The computation of requirements is a service that is performed by DSA or GSA. The military departments determine what materiel is needed, where it is needed, when it is needed, and the priority of the need. The determination of requirements for materiel to support military plans and operations is established in several ways.

(1) The initial input into the supply system is determined by provisioning decisions, Tables of Organization and Equipment, allowance lists, and load lists.

(2) The actual quantity of materiel issued to the military departments is in response to the supply requests of the military departments.

c. By its charter, DSA has been charged with the responsibility of computing replenishment requirements for those items it manages, and the military departments are charged with the responsibility for computing Special Program Requirements and Mobilization Reserve Requirements.¹

d. The purpose of this chapter is to assess the support responsiveness of DSA and GSA during the Vietnam era. For purposes of clarity, each organization is discussed separately.

2. DEFENSE SUPPLY AGENCY

a. Supply Effectiveness

(1) The measurement of DSA support effectiveness must be limited to those functions performed by DSA or those agents responsible to DSA (e.g., Atlanta Army Depot as a DSA Principal Distribution Depot). Because DSA has no supply activities outside the 48 contiguous states and no control over transportation or port handling, DSA must be statistically measured by its effectiveness in supply functions up to the point at which materiel is offered for transportation. A non-statistical evaluation can be effected by soliciting the opinions of DSA customers as to their satisfaction with DSA performance. Both of these approaches have been employed, as described below.

(2) At the beginning of the Vietnam era, 1 January 1965, the overall DSA supply availability was 91.5 percent (supply availability, as used by DSA, measures the availability of assets to satisfy requisitioned quantities at the time the requisition is processed). Supply availability dropped slowly but steadily, reaching a low point of 82.7 percent in October 1966. Supply availability at the Defense Personnel Support Center (Clothing & Textiles) (DPSC(C&T)), and Defense Construction Supply Center (DCSC), dipped well below the DSA-wide average and deteriorated into unacceptable performance. Figures 9 through 16 show DSA supply availability.

¹DDO Directive 5105.22, subject: Defense Supply Agency (DSA), 9 December 1965.

DSA/GSA SUPPORT

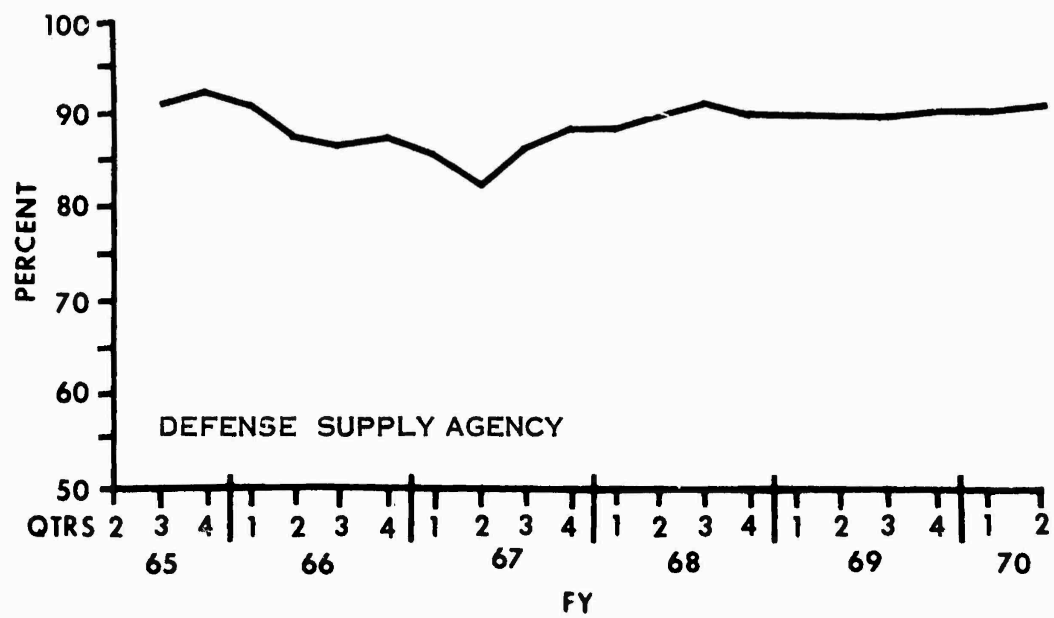


FIGURE 9. TOTAL DSA STOCK AVAILABILITY

DSA/GSA SUPPORT

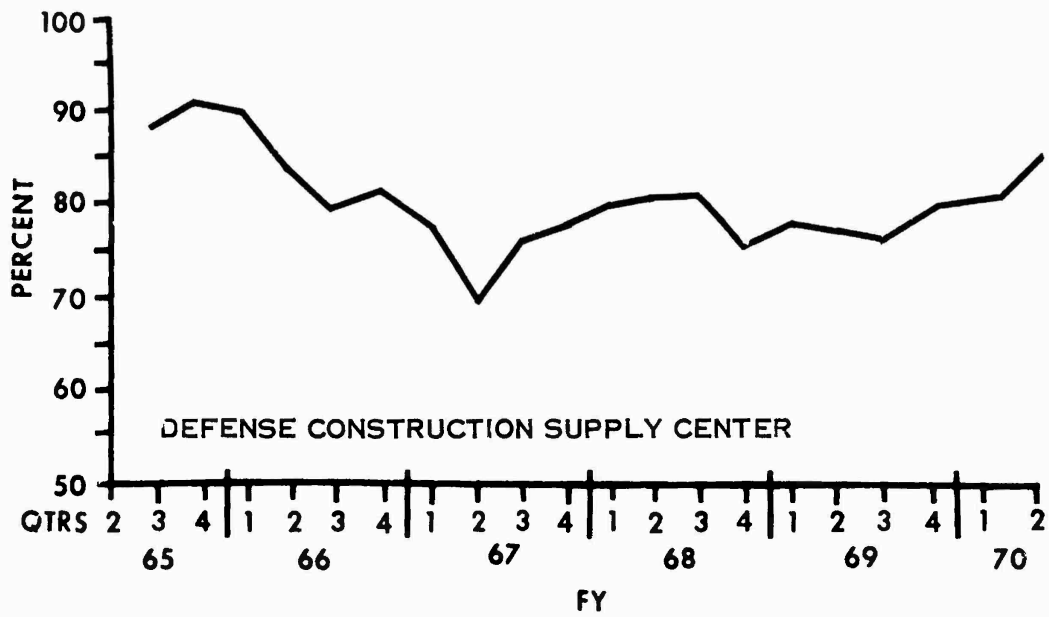


FIGURE 10. DCSC STOCK AVAILABILITY

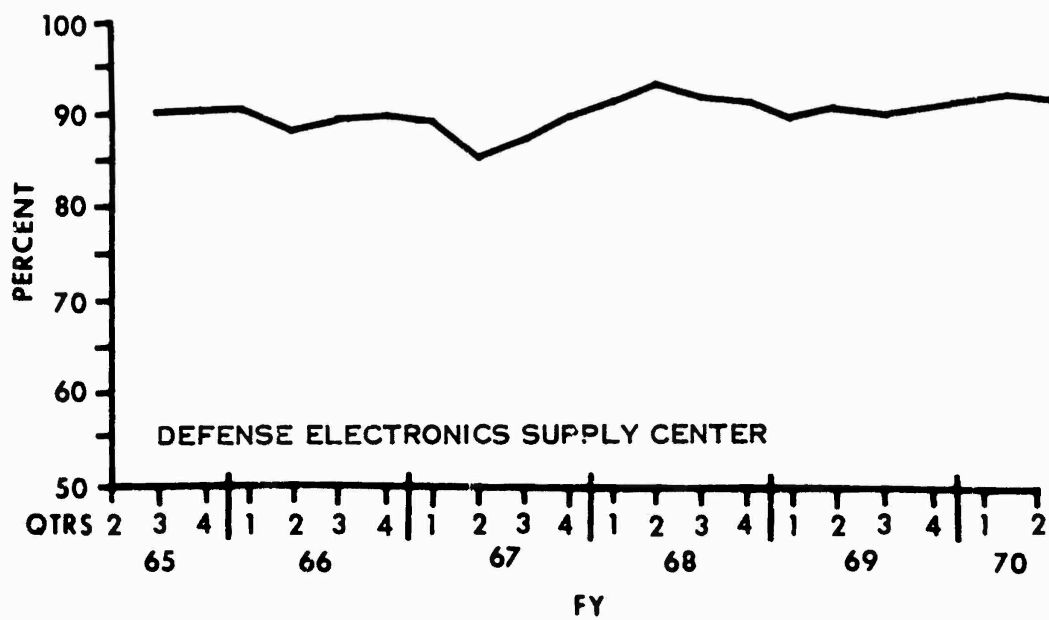


FIGURE 11. DESC STOCK AVAILABILITY

DSA/GSA SUPPORT

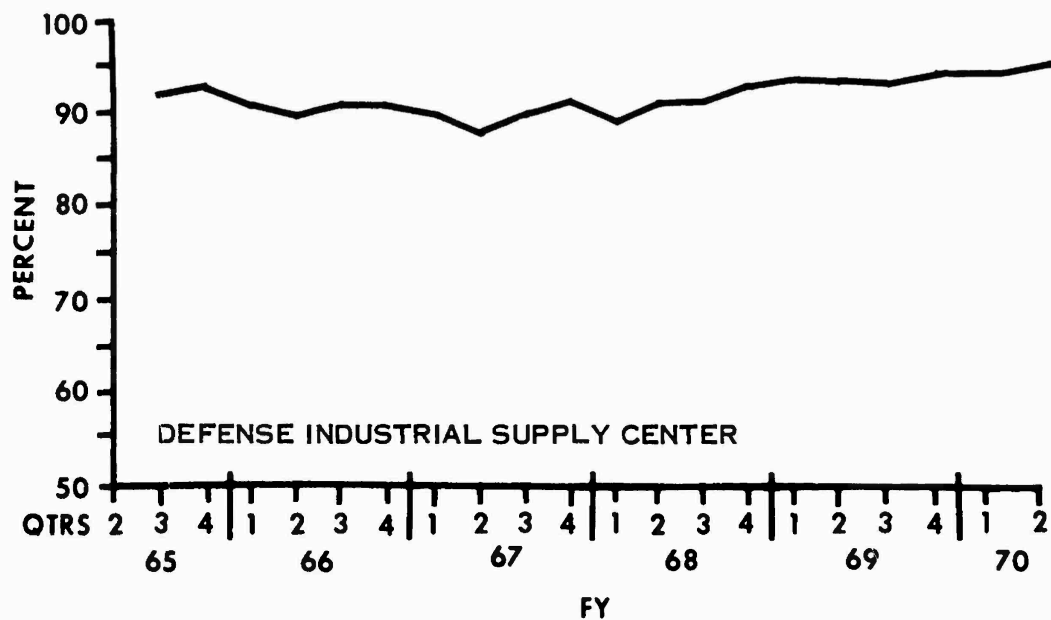


FIGURE 12. DISC STOCK AVAILABILITY

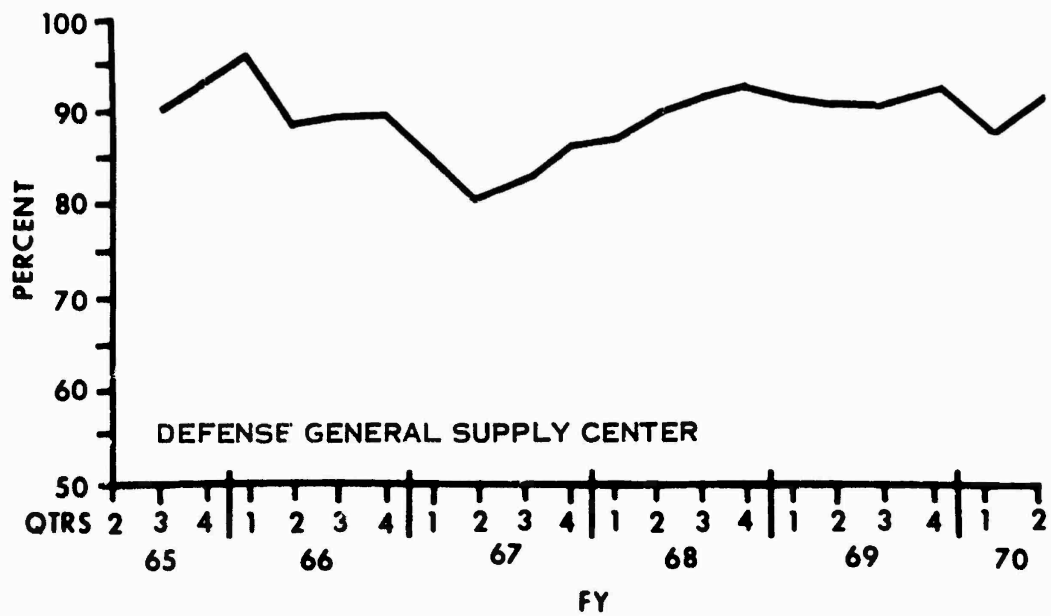


FIGURE 13. DGSC STOCK AVAILABILITY

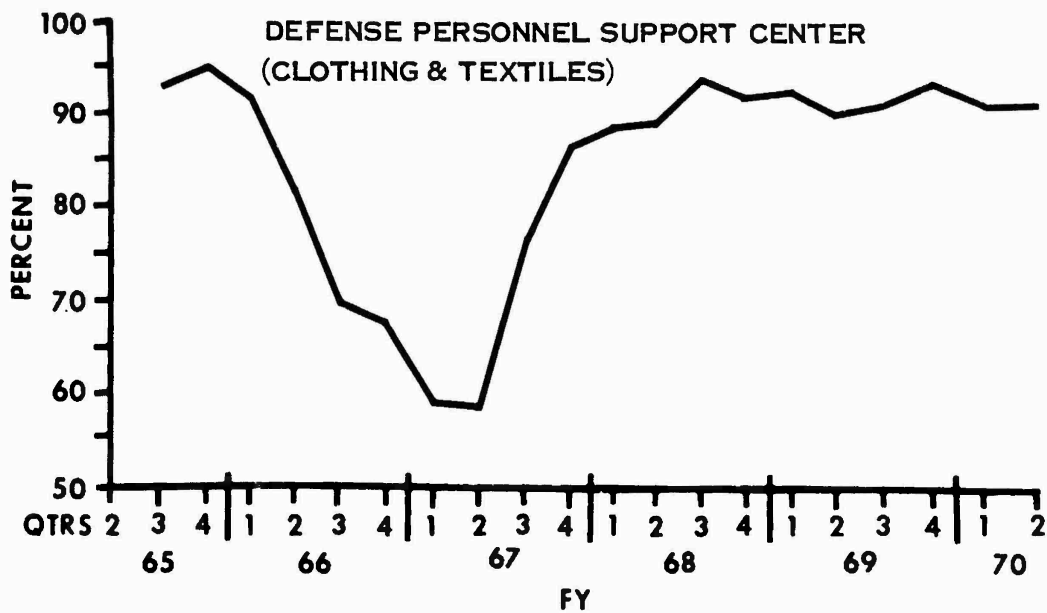


FIGURE 14. DPSC (CLOTHING AND TEXTILES) STOCK AVAILABILITY

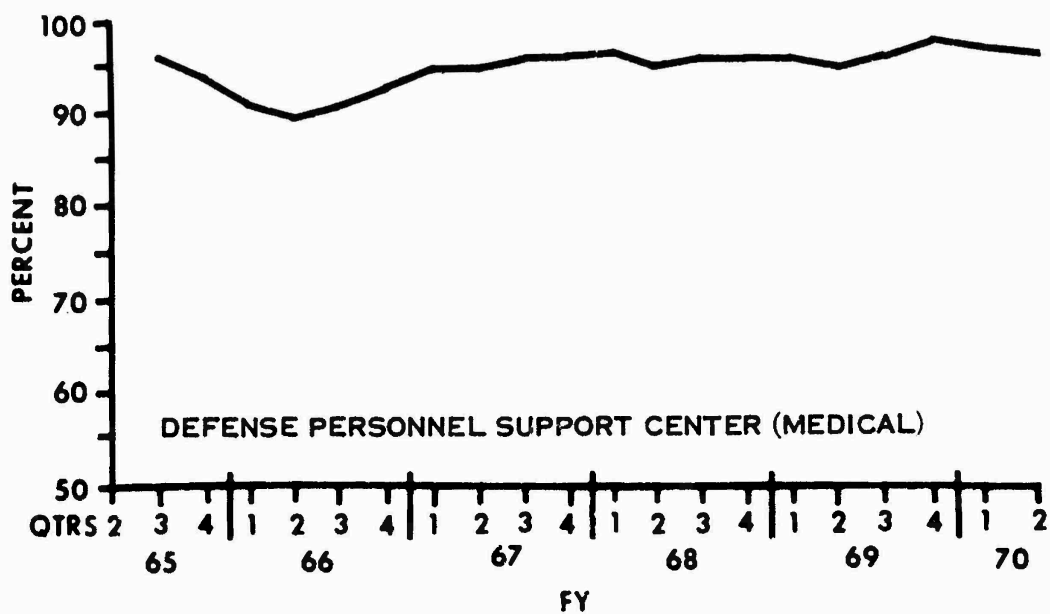


FIGURE 15. DPSC (MEDICAL) STOCK AVAILABILITY

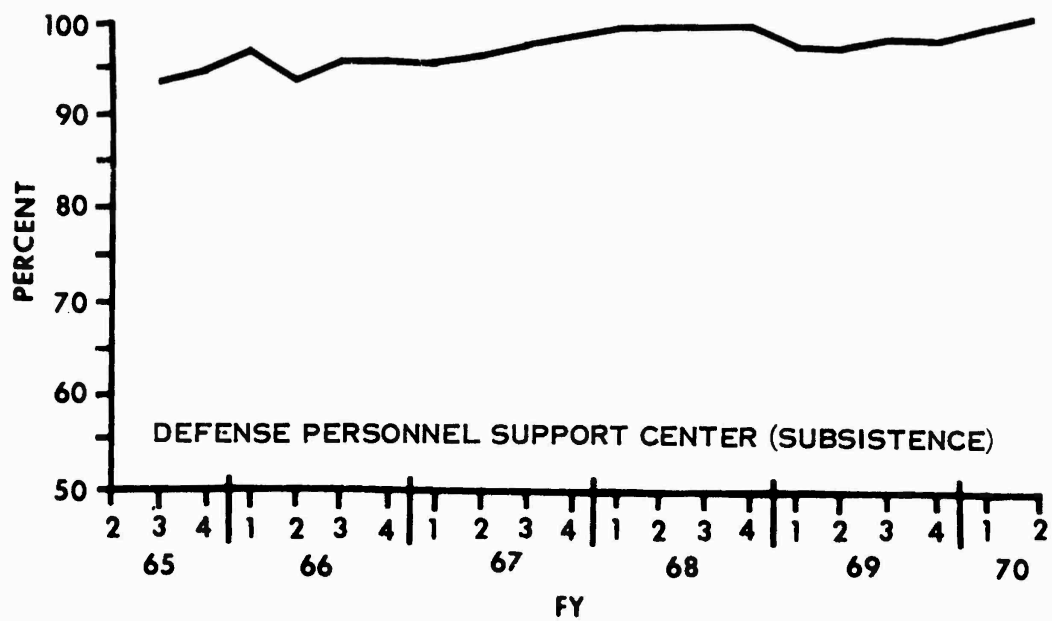


FIGURE 16. DPSC (SUBSISTENCE) STOCK AVAILABILITY

DSA/GSA SUPPORT

(3) The DSA on-time fill rate followed the same approximate pattern, dipping below previous norms in August 1965 and reaching its nadir of 71.1 percent in November 1966. Figures 17 through 24 show DSA-wide on-time fill rates and individual DSC on-time fill rates for the Vietnam era. The DSA back order position also deteriorated rapidly, as shown in Figures 25 through 32, at all Defense Supply Centers.²

(4) The key to understanding DSA support of the Vietnam effort is found in what occurred during FY 66. At the beginning of FY 66, DSA literally had no idea of the supply requirements that would be placed upon its supply system during that fiscal year. An examination of the DSA stock fund operations before and during FY 66 illustrates this.

(5) Figure 33 shows that the pre-Vietnam years of FY 63 - 65 reflect a stable program experience with a gradual increase in sales (due to additional items transferred to DSA from the Services). During these 3 years, the procurement initiations (shown as obligations) ranged from \$250 million in FY 63 to \$50 million less than sales in FY 65, to accomplish a drawdown of long supply transferred from the Services.³

(6) The Vietnam buildup period, beginning in July 1965, shows a sharp increase in the DSA supply support program, with sales increasing \$1 billion during FY 66 and obligations increasing \$1.6 billion over the FY 65 level.

(7) As shown in Table 5, DSA had great difficulty in forecasting FY 66 requirements. During the six formal budget reviews in FY 66, DSA obligation authority requests went from \$1,756,500,000 to \$4,685,900,000, whereas the Office of the Secretary of Defense (OSD) and the Bureau of the Budget (BOB) obligation authority allocations went from \$1,756,500,000 to \$4,273,700,000. Actual use of obligational authority for the year was \$4,257,000,000.

TABLE 5
DEFENSE STOCK FUND
FY 1966 BUDGET HISTORY

Date Submitted to OSD	Program Requested Sales O/A		Program Approved Sales O/A	
June 1965	1909.0	1756.5	1909.0	1756.5
August 1965	2418.0	2631.0	2276.0	2307.0
November 1965	2499.0	2792.9	2499.0	2792.9
December 1965	2664.0	3137.5	2664.0	3137.5
February 1966	2936.5	3804.5	2936.5	3698.7
March 1966	2937.0	4685.9	2937.0	4273.7
Actual			2922.0	4257.0

FY 1965-4 BUDGET REQUESTS

FY 1967-3 BUDGET REQUESTS

FY 1968-3 BUDGET REQUESTS

FY 1969-3 BUDGET REQUESTS

²DSA, Memorandum, DSAH-LM, subject: Review of DSA Support: request for information concerning, 24 June 1969.

³DSA, Memorandum, DSAH-CS, subject: Defense Stock Fund Data, 9 September 1969.

DSA/GSA SUPPORT

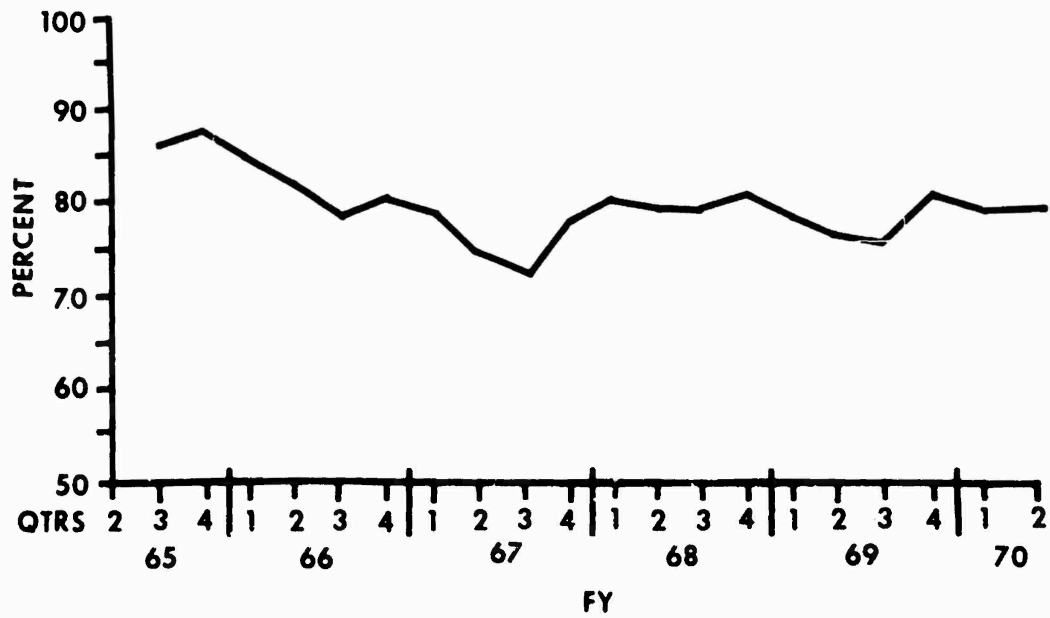


FIGURE 17. TOTAL DSA ON-TIME FILL

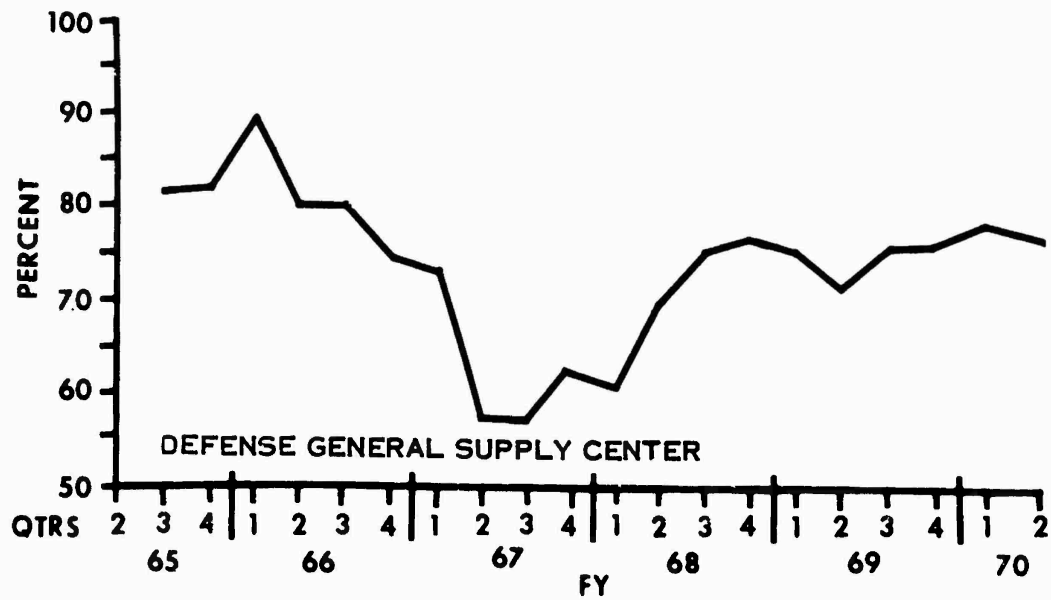


FIGURE 18. DGSC ON-TIME FILL

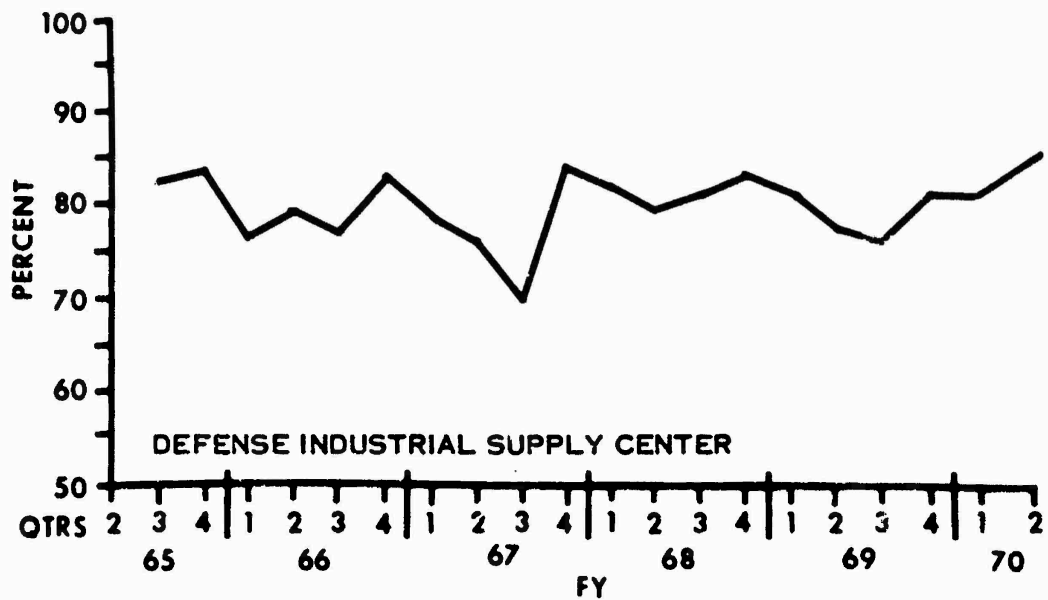


FIGURE 19. DISC ON-TIME FILL

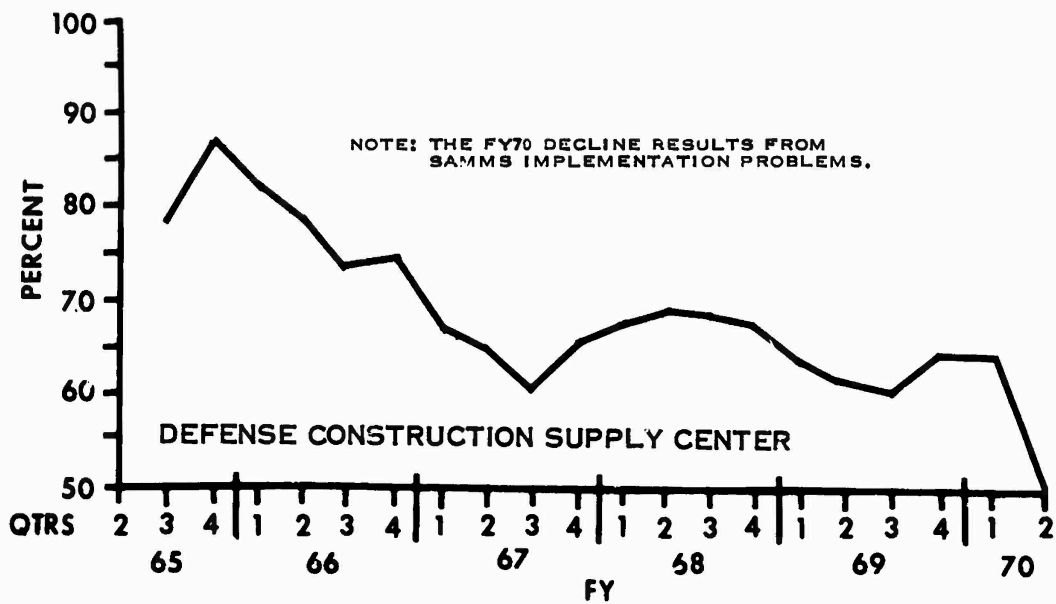


FIGURE 20. DCSC ON-TIME FILL

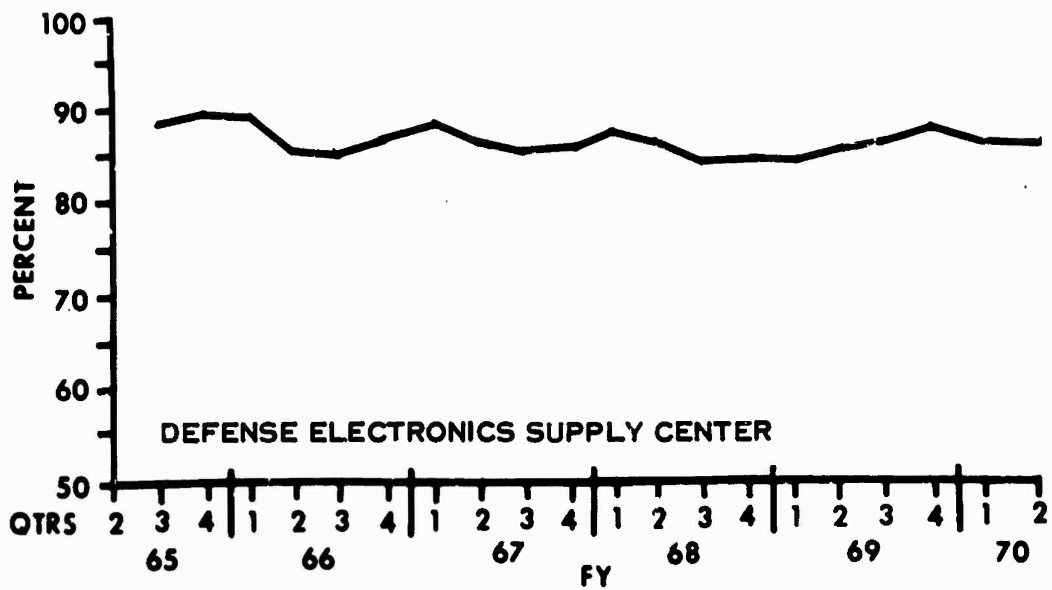


FIGURE 21. DESC ON-TIME FILL

DSA/GSA SUPPORT

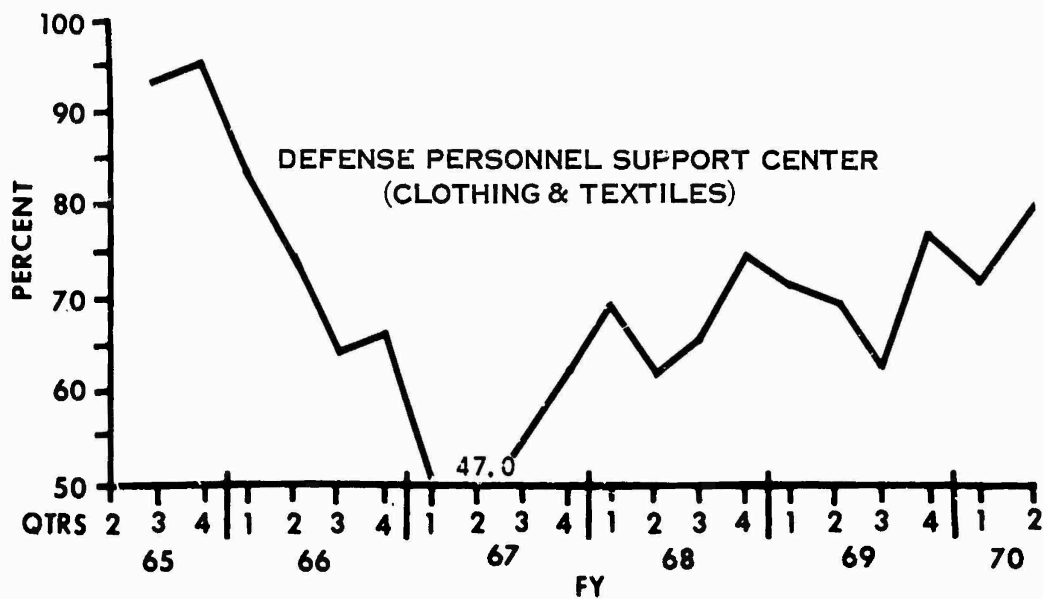


FIGURE 22. DPSC (CLOTHING AND TEXTILES) ON-TIME FILL

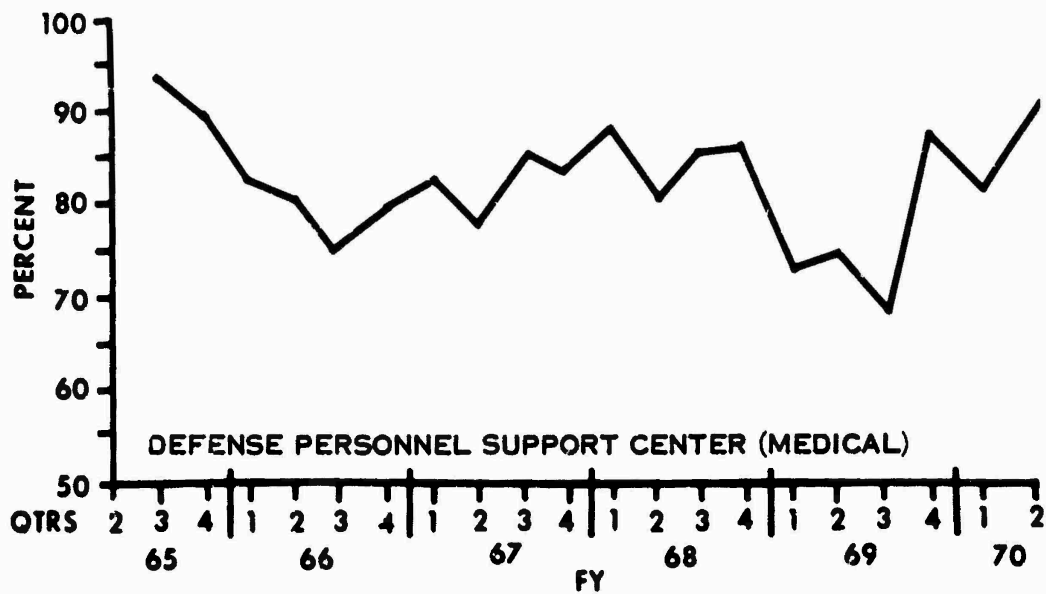


FIGURE 23. DPSC (MEDICAL) ON-TIME FILL

DSA/GSA SUPPORT

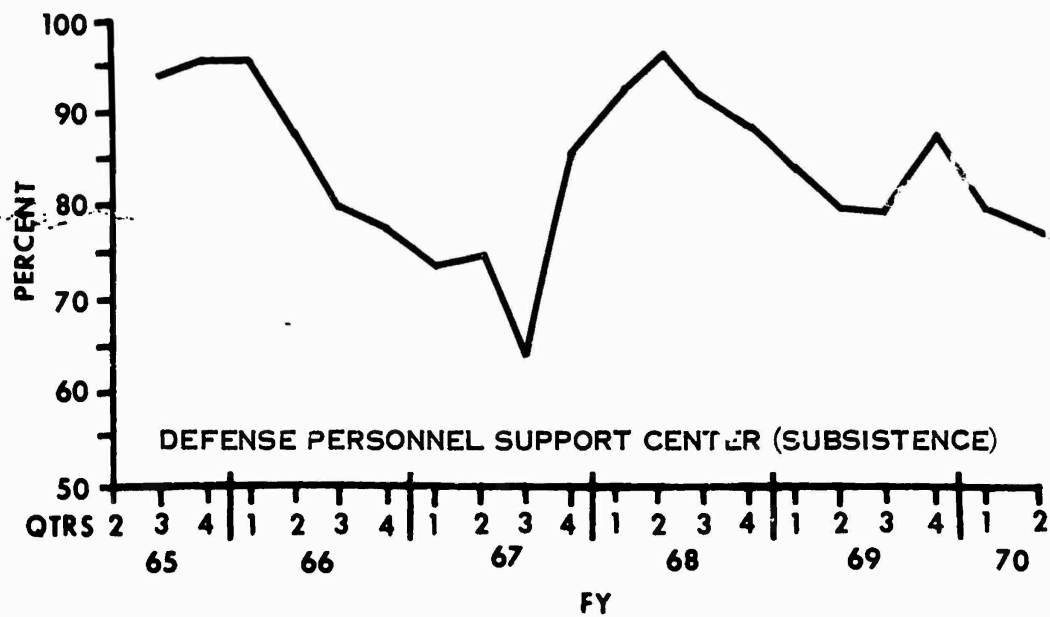


FIGURE 24. DPSC (SUBSISTENCE) ON-TIME FILL

DSA/GSA SUPPORT

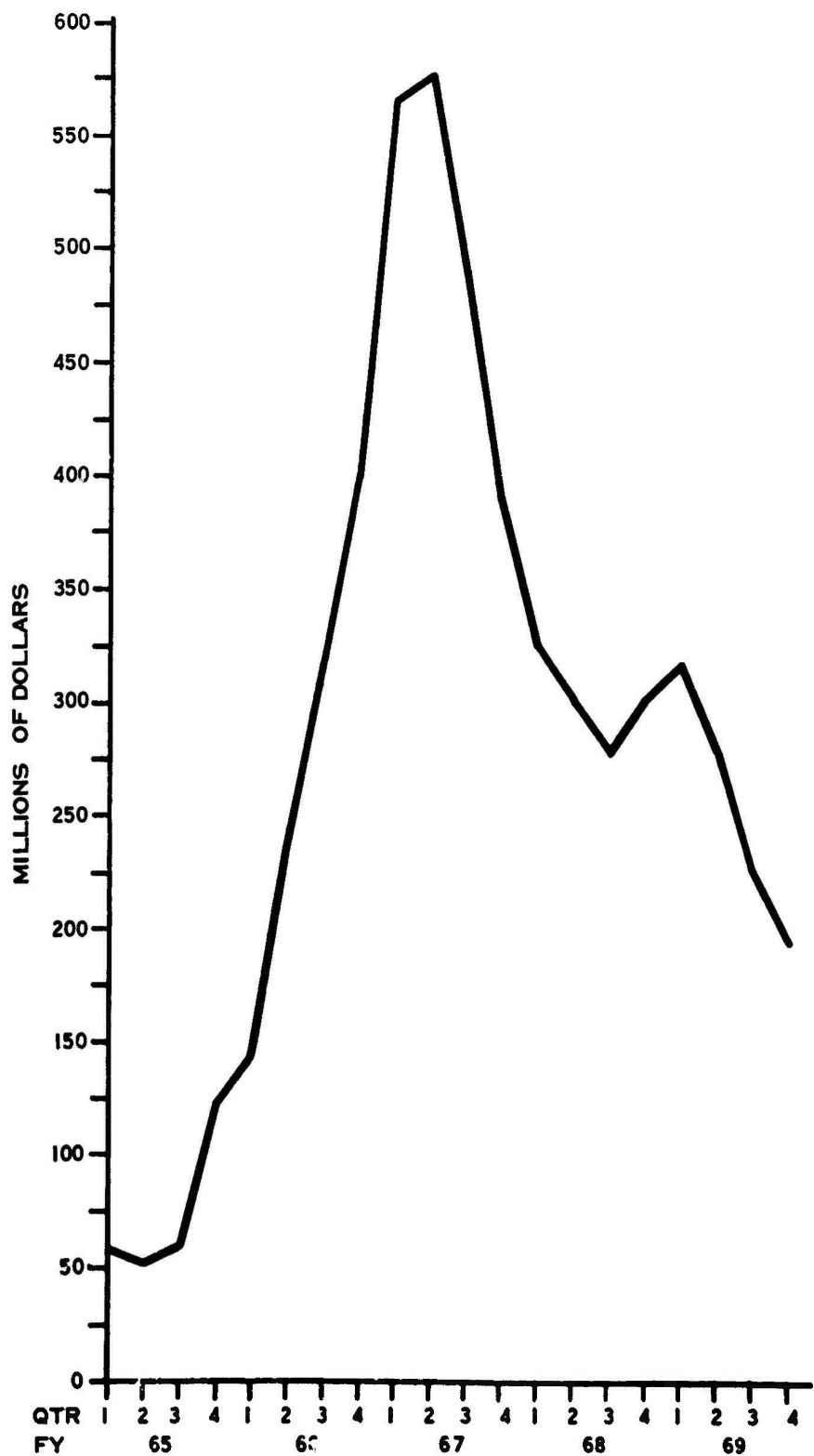


FIGURE 25. DOLLAR VALUE OF BACK ORDERS (DSA TOTAL)

DSA/GSA SUPPORT

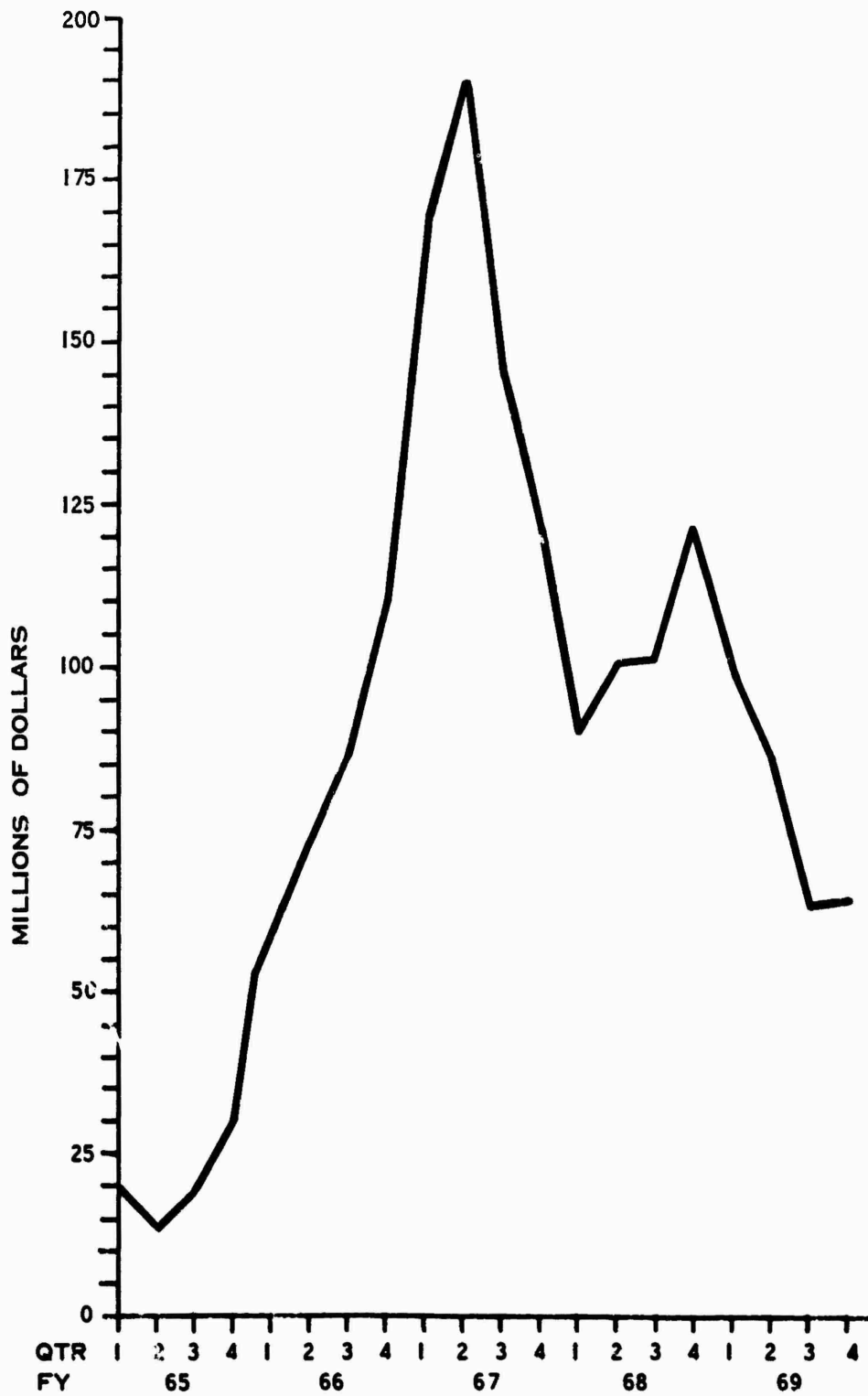


FIGURE 26. DOLLAR VALUE OF BACK ORDERS (GENERAL)

DSA/GSA SUPPORT

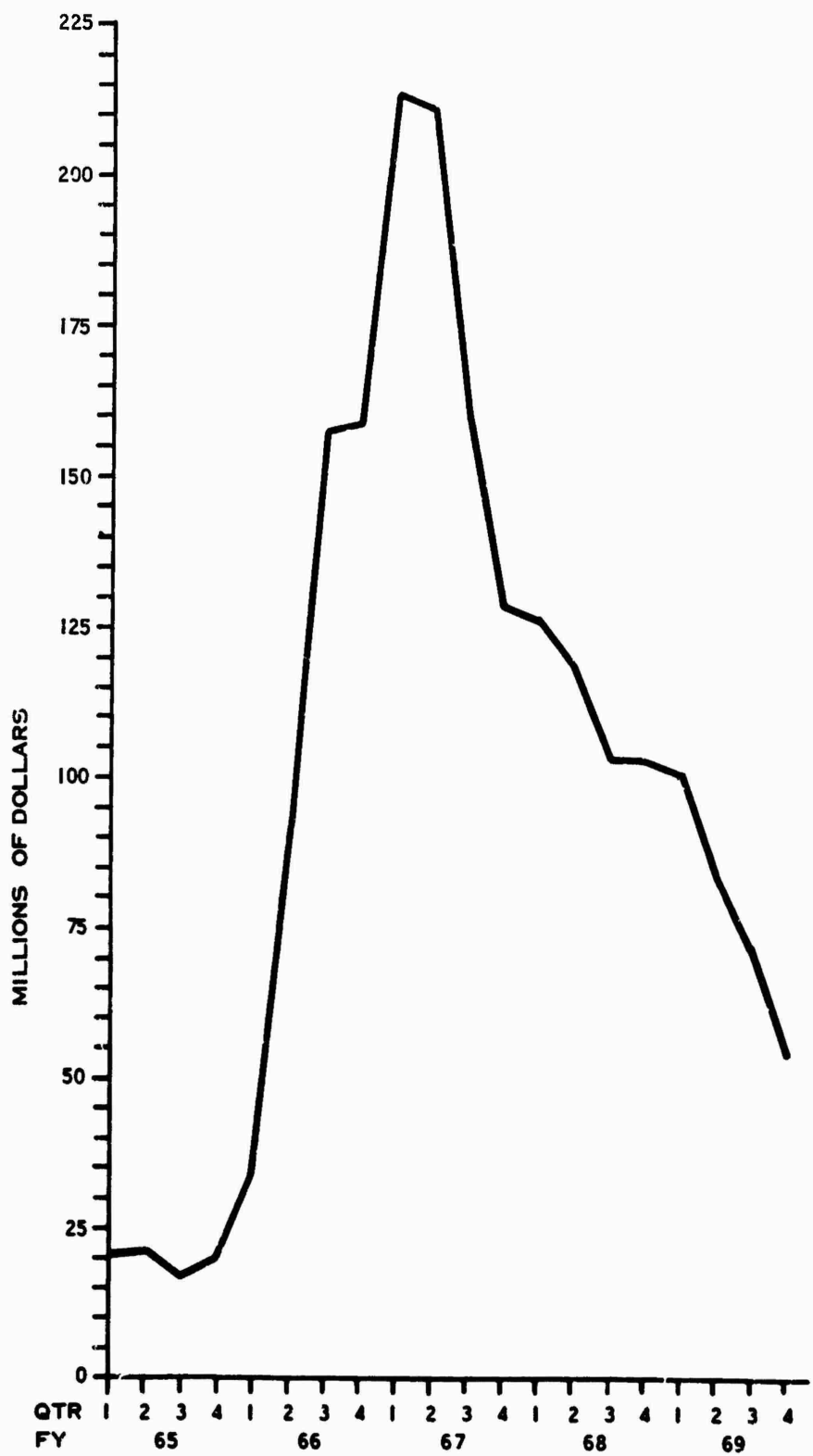


FIGURE 27. DOLLAR VALUE OF BACK ORDERS (CONSTRUCTION)

DSA/GSA SUPPORT

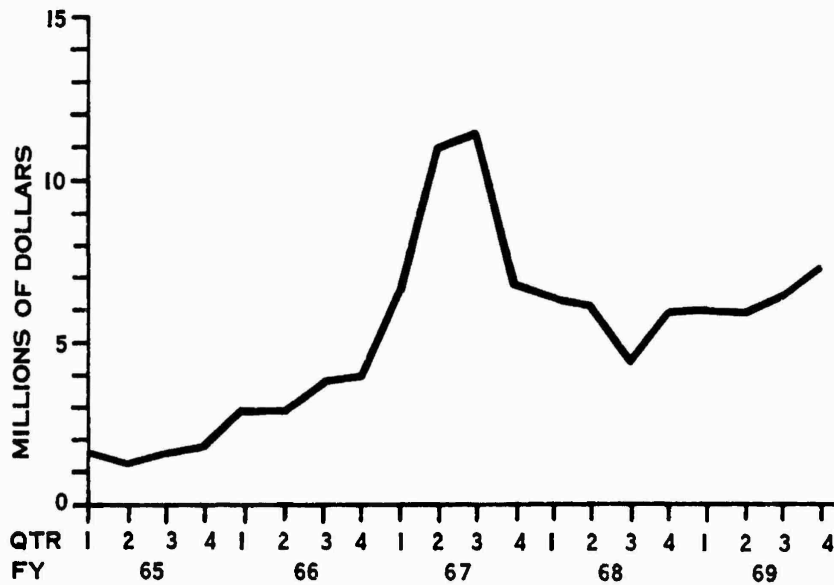


FIGURE 28. DOLLAR VALUE OF BACK ORDERS (MEDICAL)

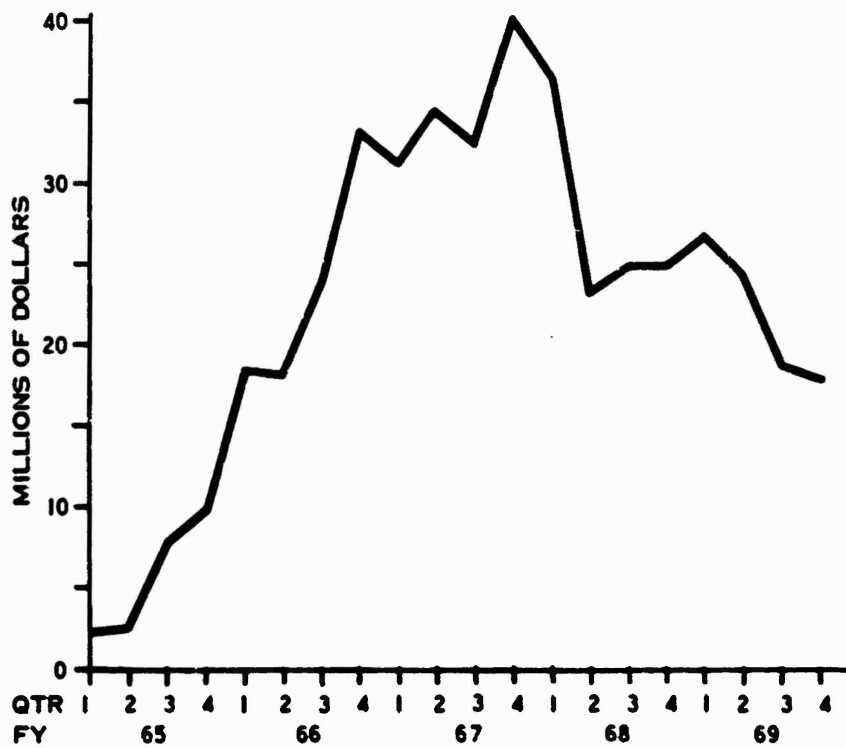


FIGURE 29. DOLLAR VALUE OF BACK ORDERS (INDUSTRIAL)

DSA/GSA SUPPORT

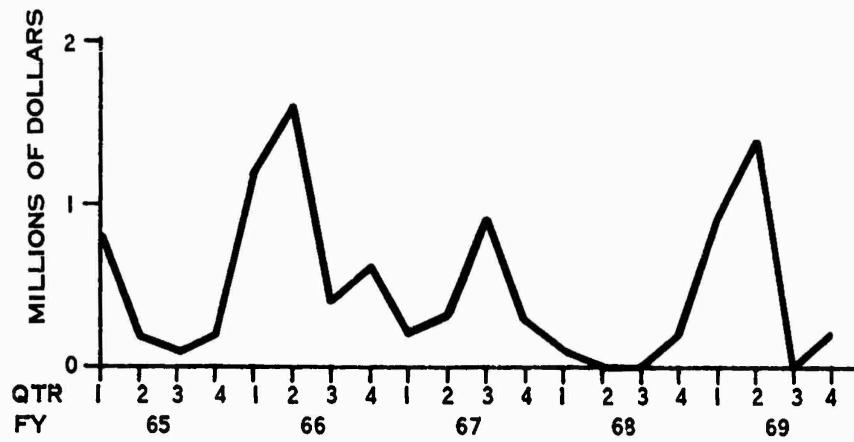


FIGURE 30. DOLLAR VALUE OF BACK ORDERS (SUBSISTENCE)

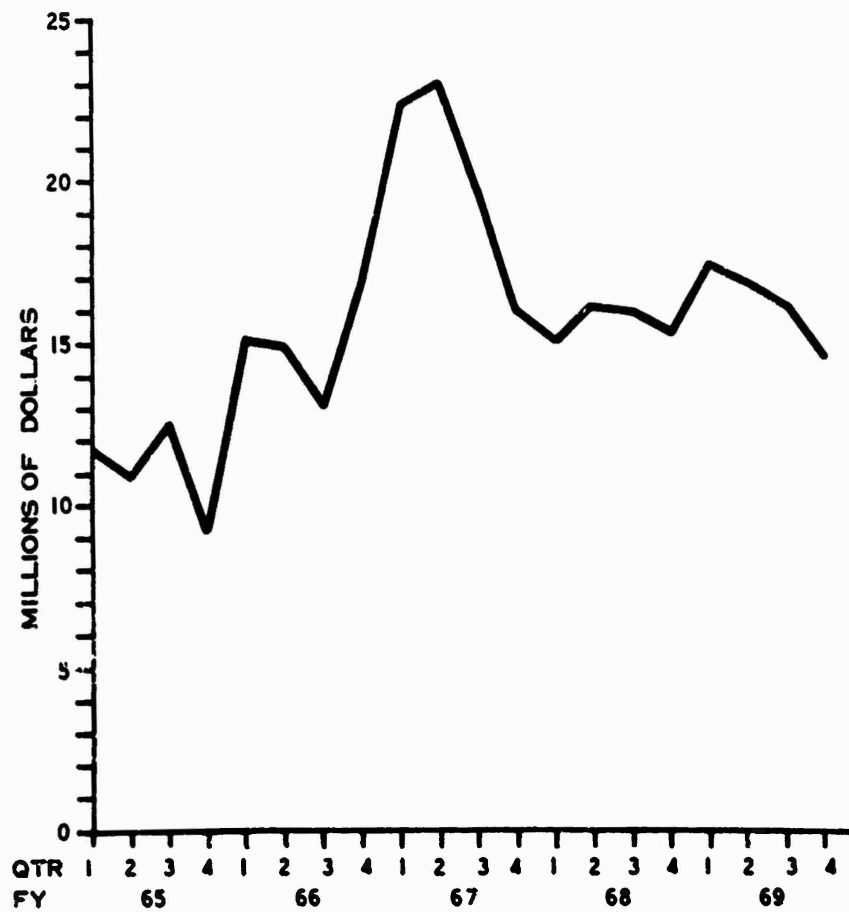


FIGURE 31. DOLLAR VALUE OF BACK ORDERS (ELECTRONICS)

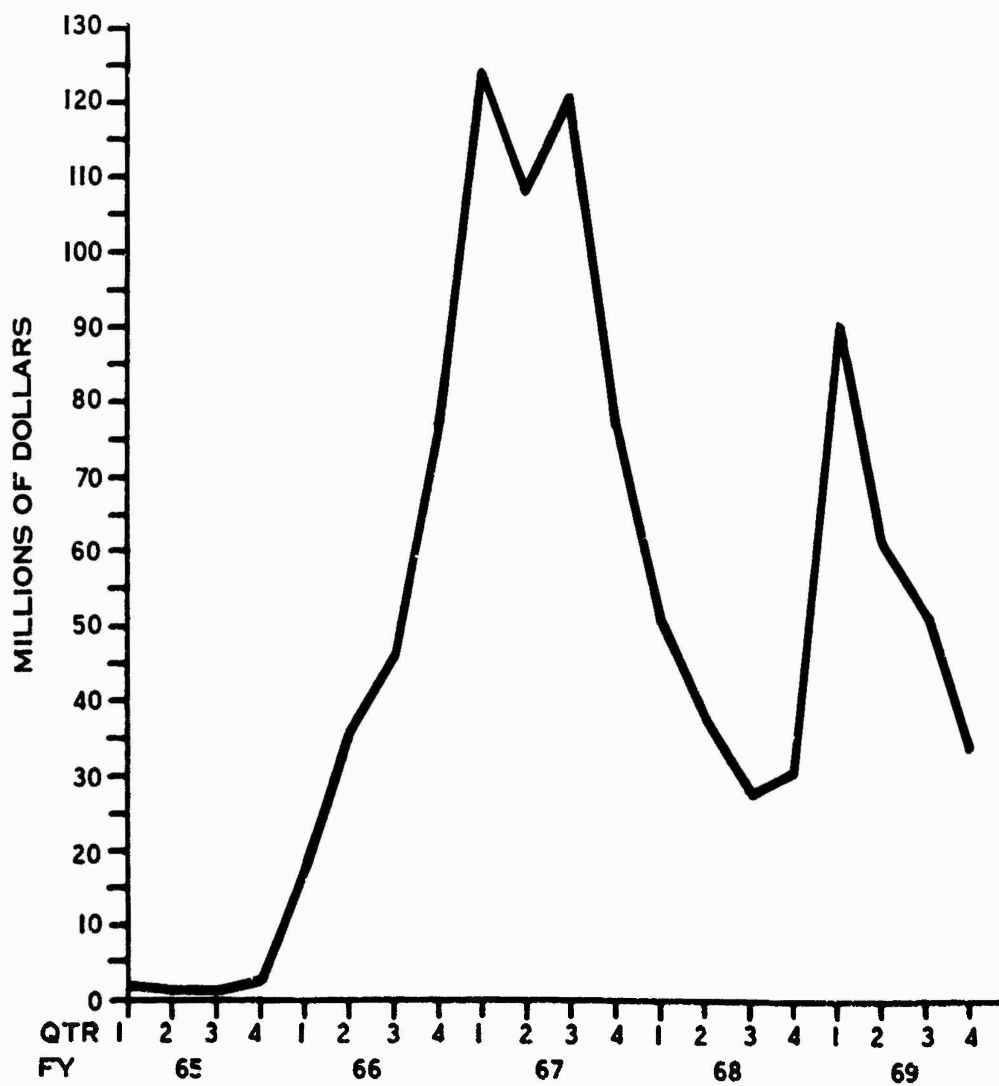


FIGURE 32. DOLLAR VALUE OF BACK ORDERS (CLOTHING)

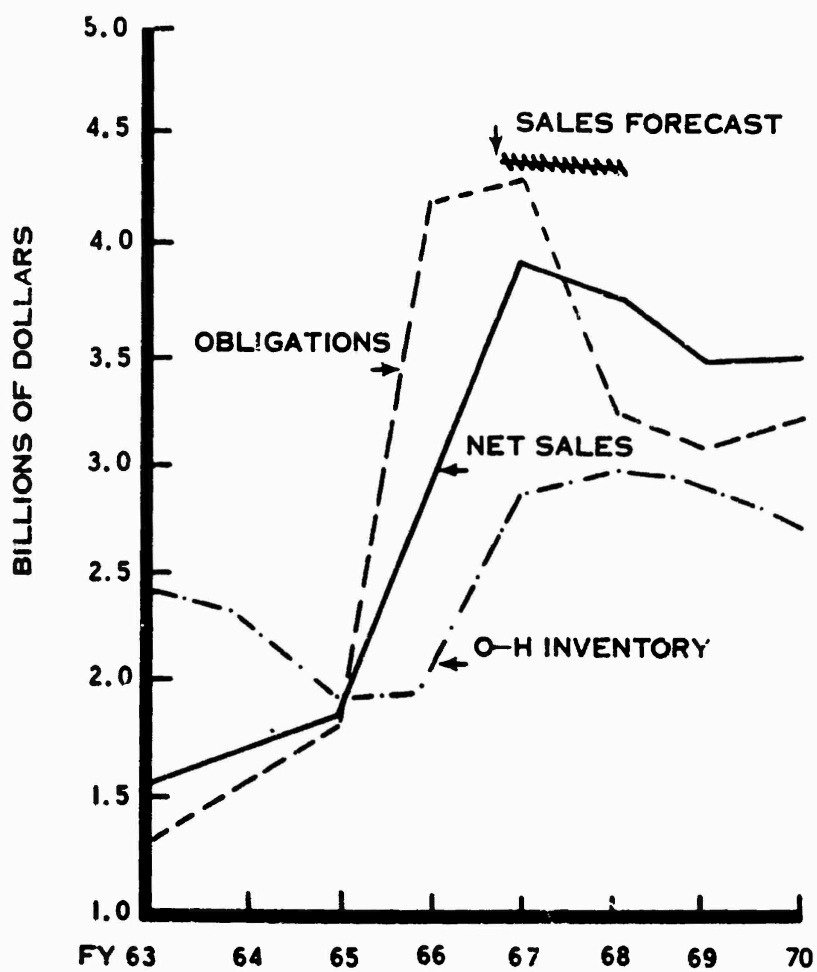


FIGURE 33. DEFENSE STOCK FUND PRE-SE ASIA AND SE ASIA HISTORY

DSA/GSA SUPPORT

(8) Referring again to Figure 33, in FY 64 DSA sales increased another billion dollars to \$4.0 billion, or double the pre-SE Asia sales level, and obligations were maintained at \$4.3 billion to support an anticipated sales program of \$4.3 billion during FYs 67 and 68. This inflated sales forecast revealed a weakness in the requirements forecasting system that did not reflect what was really occurring in the retail pipeline--a buildup of excess stock.

(9) The sales drop in FYs 68 and 69 would have been much sharper had it not been that during these years \$100 million a year of the sales were generated from release of back orders established in FYs 66 and 67. During FY 69, DSA analysis indicates that sales were depressed by approximately \$300 million by the Program for Utilization and Redistribution of Materiel (PURM) and Project STOP.⁴ A further review of Figure 33 indicates the production problems encountered by all DSCs in the early stages of the Vietnam era. Although the expenditure of obligational authority increased rapidly through FY 67, the materiel deliveries did not allow the buildup of stock levels until FY 68.

(10) In an effort to obtain customer points of view concerning DSA responsiveness, the Service headquarters were requested to provide statistics and comments concerning the support received during the Vietnam era from DSA. In addition, visits to field activities of the Services were preceded by the forwarding of questionnaires which, among other things, requested evaluation of DSA support during the Vietnam era.

(11) The Service headquarters comments can be summarized by stating that DSA support during the Vietnam era was considered responsive. All of the Services stated that DSA fill rates for requisitions submitted to DSA have not been regularly reported. All of the Services use the management by exception principle concerning DSA performance; i.e., should support problems arise, management attention is focused on the problem until it is resolved.⁵

(12) During visits to Service field activities, the information furnished by these activities can be summarized by stating again that DSA supply support during the Vietnam era was considered responsive. A clear knowledge of DSA item support problems was exhibited, and the general attitude of the Services was that DSA took all appropriate measures to satisfy Service needs. Overall, it can be stated that the DSA image as a supplier has been very good. It must be noted, however, that DSA responsiveness was achieved with difficulty and with some persistent supply shortages during a conflict in which there was no interdiction of the sea and air supply lines. There were few substantial losses of materiel in-country due to enemy military action. Review of Figures 9 through 24 and the description of production difficulties in the Procurement and Production Monograph, indicates that had substantial materiel losses occurred due to enemy action, support to SE Asia would have been far worse than it was.

(13) As shown in Figure 33, during the years critical to initial Vietnam era support, DSA inventories were dropping and, even with the infusion of the greater obligation authority granted as a result of the Vietnam conflict, deliveries were not sufficient to increase inventory significantly until FY 67.

(14) The essential reasons for critical supply shortages of DSA managed items were fourfold:

(a) Program and planning data furnished to the DSA by the Joint Chiefs of Staff and the Services were neither adequate nor timely.

(b) Peacetime stocks were not adequate to meet the initial demand surges to satisfy increased wartime demands.

⁴Ibid.

⁵U.S. Army Deputy Chief of Staff for Logistics, Memorandum of 24 March 1970; OPNAV Memorandum of 31 July 1969; Headquarters, USAF Memorandum of 14 August 1969; Headquarters, USMC Memorandum, subject: Defense Supply Agency and General Services Administration Support; evaluation of, 15 July 1969.

DSA/GSA SUPPORT

(c) There was not sufficient mobilization reserve stock.

(d) The production base and production expansion capability were proven to be inadequate to meet the initial demand surge. (The procurement and production situation is discussed in the Logistics Planning Monograph.)

(15) The pre-Vietnam era was essentially a peacetime environment. Consequently, the supply posture of DSA was largely influenced by programs designed to increase cost effectiveness and to save money. Funding by the Office of the Secretary of Defense (OSD) and the Bureau of the Budget (BOB) for mobilization reserve stockage by DSA was minimal at best. At worst, funding was non-existent as shown in Figure 34. Consequently, the General Mobilization Reserve Stockage posture of DSA was inadequate to support the surging demands for the Vietnam conflict.

(16) Historically, the majority of the General Mobilization Reserve Stock (GMRS) for DSA managed items has been in personnel related items, with most of this in clothing and textile (C&T) items. In 1957, GMRS of C&T items amounted to \$753.8 million. By the end of FY 59, through transfer of additional assets, these reserve assets increased to \$973.6 million. By the end of FY 62 as a result of actions required to reduce inventory investment, GMRS of C&T had been reduced to \$248.6 million. As a result of revised mobilization reserve policies, the GMRS of C&T was further reduced to \$212.3 million on 30 June 1965. The result of these reductions was that the GMRS of C&T was inadequate to support the SE Asia demands and the demands for clothing recruits at reception centers.⁶

(17) DSA supported the DOD cost reduction program to the maximum extent possible. During FYs 64 and 65 DSA achieved secondary item requirements cost reductions of \$99 million against OSD established goals of \$74 million.⁷ These cost reductions were primarily achieved by reduction of supply levels. A basic tenet of the DOD cost reduction program was that support could not be adversely affected by actions to achieve savings.⁸ Unfortunately, this was assessed against current peacetime support rather than against wartime demands. During the early years of the Vietnam era (FY 66-67) DSA cost reductions in Secondary Item Requirements dropped to \$16.6 million against goals of \$49 million.⁹ The effects of the cost reduction level decreases during FY 64-65 cannot be accurately measured from available records, yet the principal reason for shortages of DSA items was inadequate levels.

(18) In summary, in early 1965 DSA did not have adequate stock levels to meet the enormous surge of materiel demand that developed as a result of the decision to deploy combat forces to the Southeast Asia conflict. As noted below, the planning data available to DSA did not accurately reflect what actually occurred and was based on the premise that there would be time to adjust to the new situation, as in a classical mobilization. Consequently, severe and immediate shortages of DSA-managed items developed which, although not critical to the conduct of the war, did not allow the smooth and efficient transition from peace to war support that might reasonably be expected.

(19) Figures 9 through 16 depict in detail the drop in DSA supply effectiveness and its subsequent recovery. During the Vietnam buildup period, supply shortages generated much concern. The clothing and textile commodity was among the first to be severely impacted. There were two fundamental problems concerning this commodity, i.e., materiel requested to outfit the tremendous influx of new recruits and materiel required for the combat environment of Vietnam. These problems are described in Appendix A.

⁶ DSA, Memorandum, DSAH-LM, subject: Review of DSA Support: request for information concerning, 14 July 1969.

⁷ Department of Defense Year End Cost Reduction Program Reports for each Fiscal Year.

⁸ DOD Instruction 7720.6, subject: DOD Cost Reduction and Management Improvement Program - Reporting, System.

⁹ Ibid.

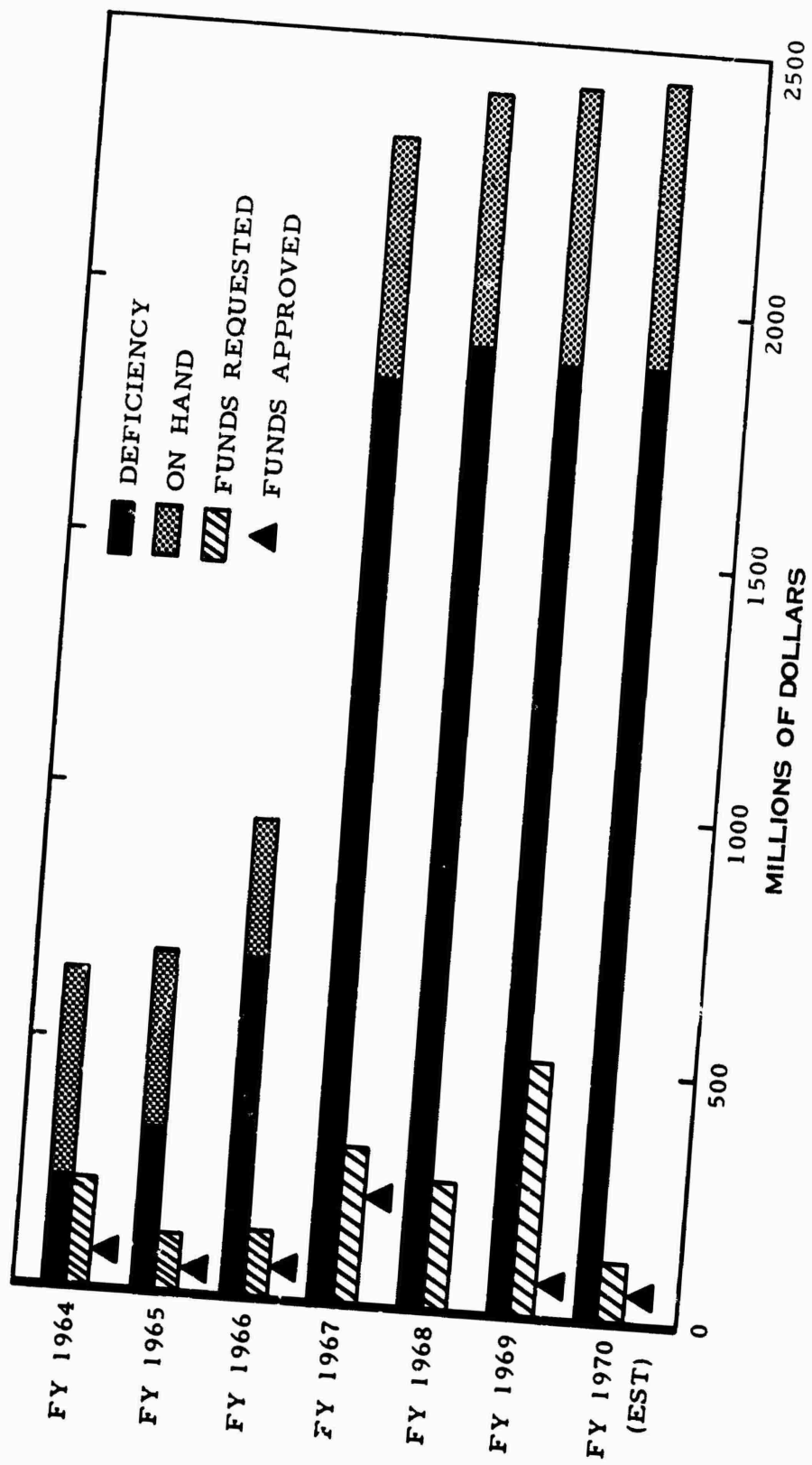


FIGURE 34. DEFENSE STOCK FUND MOBILIZATION RESERVE PROGRAM

b. Planning Data

(1) Fundamental to the success (or failure) of military operations is the ability to plan realistically for the future and to disseminate plans to organizations affected, in timely fashion. During the early months of FY 65, DSA, in conjunction with the OSD, the Joint Chiefs of Staff, and the Services, attempted to develop plans for the substantial numbers of U. S. Armed Forces that would be deployed to Vietnam. Although much effort was expended to develop adequate plans, the end results were not adequate to meet the situation. One flaw in this planning that adversely affected DSA was the assumption that no substantial military commitment would be made without a reserve call-up. This planning error impacted DSA immediately, particularly in the DPSC (C&T) area. DSA had depended on a reserve call-up, had expended considerable effort to ascertain the state of materiel readiness of the reserve forces, and had developed DSA materiel "call-up" studies on this basis.

(2) The immediate impact of increasing draft calls and other means of recruiting civilian personnel into the Armed Forces was felt in the drawdown of "bag" items (particularly for the Army and Marine Corps) and other "non-bag" items of individual clothing and equipment. (Tables 6 and 7 show the demand surge for Army and Marine Corps C&T items.) The input of new recruits necessitated the 100 percent equipping of these individuals, which severely strained the resources of DPSC (C&T). In summary, preliminary planning for the increased U. S. Armed Forces involvement in Vietnam was inadequate and adversely affected DSA support capability.

(3) Unlike Service ICPs, most of the Defense Supply Centers (DSCs) cannot use the data that are normally construed as useful for forecasting future requirements (e. g., flying hours, hours of use, and force structure). The notable exception is DPSC.

(4) The three DPSC-managed commodities (medical, subsistence, and clothing and textiles) are fundamentally personnel oriented. In each of these commodity areas, information such as total military personnel by Service, geographic distribution of personnel, and personnel gains and losses have unique significance and utility in forecasting requirements. The quantity of Federal Stock Numbers (FSN) managed in each of these commodities is small by comparison with other DSCs, and knowledge of the use of each item, and allowances for these items, is far greater than that possessed by other DSCs. Therefore, if given adequate personnel and force structure data in timely fashion, DPSC could have forecasted requirements with reasonable accuracy.

(5) Shortly after its establishment, the DSA arranged with the Services to have logistics planning information furnished to DPSC.¹⁰ This arrangement worked reasonably well during the Vietnam era, but unfortunately the data so furnished were subject to rapid change as force strength and structure revisions were approved during 1965 and 1966. The Army, particularly, was most responsive in giving DSA advance information concerning planned troop strengths, deployments, and organization activation, but DSA was constrained in the use of such data until approval by higher authority. Thus, production lead time was lost to a significant extent. During this period, DSA ability to achieve effective supply support was inhibited by the delay in securing higher authority approval of Service program changes, and once approval was granted, by the issuance of orders immediately implementing the change.

(6) These rapid program changes, coupled with rapid implementation, particularly recruit input and troop deployments, were a principal cause for initial degradation of DSA supply availability, particularly in the clothing and textile commodity (see Appendix A). The inability to foresee the necessity for items that were to be critically needed (e. g., jungle fatigues and DMS tropical boots) and to forecast the high demand for other items (e. g., meals, combat, individual; and sandbags) had severe and lasting effect on DSA supply availability.

¹⁰ Later formalized in DOD Instruction 4000.22, subject: Furnishing Basic Logistics Planning Data to the Defense Supply Agency, 4 October 1966.

DSA/GSA SUPPORT

TABLE 6
COMPARISON OF ARMY DOLLAR DEMAND
AVERAGE QUARTER FY 65 VS. 1ST AND 2D QUARTER FY 66

Comparison of Demand, Average Qtr. FY 65 Vs. 1st and 2d Qtrs. FY 66		
I	Average Quarter FY 65	\$ 45.2 Million
II	Demand 1st Quarter FY 66	\$ 99.2 Million
	Increase Over Average Quarter FY 65	\$ 54.0 Million
	Percentage Increase	119 Percent
III	Demand 2nd Quarter FY 66	\$ 111.5 Million
	Increase Over Average Quarter FY 65	\$ 66.3 Million
	Percentage Increase	146 Percent
Comparison of Demand, 1st Half FY 66 Vs. Average Half FY 65		
IV	Demand 1st Half FY 66	\$ 210.7 Million
	Average One Half FY 65	\$ 90.4 Million
	Increase Over FY 65	\$ 120.3 Million
	Percentage Increase	133 Percent

Source: DSA HQS MFR of 24 Jan 66 - DSAH 1st Ind of 24 Sep 1969.

TABLE 7
COMPARISON OF MARINE CORPS DOLLAR DEMAND
AVERAGE QUARTER FY 65 VS. 1ST AND 2D QUARTER FY 66

I	Average Quarter Demand FY 65	\$ 6.6 Million
II	Demand 1st Quarter FY 66	\$ 14.8 Million
	Increase Over Average Quarter FY 65	\$ 8.2 Million
	Percentage Increase	125 Percent
III	Demand 2d Quarter FY 66	\$ 21.2 Million
	Increase Over Average Quarter FY 65	\$ 14.6 Million
	Percentage Increase	221 Percent
IV	Demand 1st Half FY 66	\$ 36.0 Million
	Average Half FY 65	\$ 13.2 Million
	Increase over FY 65	172 Percent

DSA/GSA SUPPORT

(7) The so-called repair parts DSCs (i.e., DCSC, DESC, DGSC and DISC) are in an entirely different status. It is at these centers that the bulk of the DSA items are managed. These DSCs have, for the most part, no comprehensive knowledge of the use (i.e., equipment or weapon application) of the thousands of items they manage. They have no knowledge of Service allowances for these items, nor is there any reasonable relationship between increases or decreases in troop strength or force structure that can be used to forecast future requirements. Without the special procedures described below, these DSCs have no means to forecast requirements other than the use of past demand. Since the use of past demand assumes that the future will closely approximate the past, this forecasting technique is a weak reed to lean upon in rapidly escalating or de-escalating demand situations. Recognizing this, DSA headquarters in 1962 embarked upon the development of systems and procedures to alleviate the problem. Two different regulations, one for the provisioning process and one for Special Program Requirements (SPRs), evolved from this effort.^{11, 12} Although these two special systems are admittedly effective (as noted in the OSD report, Progressive Refinement of Integrated Supply Management, March 1965 and the Report of Inspection of DSA by Defense Inspection Service, 1968), problems developed during the Vietnam era that substantially limited the effectiveness of these systems in providing adequate supply support. With respect to these two systems there is a marked similarity of need. The dominant factor is that program or planning data, as used by Service activities, cannot be used by these DSCs. The only certain means of forecasting requirements to these DSCs (and in certain situations to DPSC) is to identify the item, the quantity required, the required date, and the geographic area where needed. The provisioning system provides this for existing items and new items required to support Service provisioning. The SPR system provides this for existing items.

c. Provisioning

(1) The provisioning regulation was mutually developed by the DSA, the Services, and the National Security Agency. This provided a means whereby the Services could forecast requirements for items needed in support of newly procured equipments and weapons. It also provided for provisioning technical data acquisition. The DSAR firmly established the respective responsibilities of DSA and its customers for effective performance of provisioning which involved DSA. It should be noted that during the Vietnam era, because of the wide scope of DSA-managed items, it has been virtually impossible to perform provisioning of an equipment or weapon without involving DSA support.

(2) The role of DSA in the provisioning process is unique. DSA is not a user nor an inventory manager of end items of equipment. The using Service has sole responsibility for the final determination of the range and quantity of spares, repair parts, special tools, test equipment, and support equipment that is required for the initial Service support requirements.¹³

(3) Therefore, the role of DSA in the provisioning process is solely one of support to the Service(s) requiring the end item(s) to be provisioned. Most of the contracts for such end items are Service contracts, and the provisioning technical documentation and procedural requirements incorporated in these contracts are specified by the requiring Service. Even in those few cases where DSA is the end-item procuring agency under a single-service procurement assignment, the DSA-developed provisioning technical documentation and procedural requirements must be coordinated with the Services.¹⁴

(4) Subsequent to implementation of the provisioning DSAR in 1964, Service use of this technique increased rapidly. Table 8 shows the submission of Provisioning Supply Support Requests by fiscal year.

¹¹DSAR 4140.35; AR 710-25; AFR 67-8; NAVSUPINST 4423.12; MCO 4423.9A, subject: Military Services-DSA Provisioning Responsibilities.

¹²DSAR 4140.41, AR 700-27; NAVSUPINST 4440.121; MCO 4440.26, subject: Special Program Requirements for DSA Items.

¹³DOD Instruction 5100.42, subject: Provisioning Relationships With the Defense Supply Agency.

¹⁴September 1965.

¹⁴Ibid.

TABLE 8
PROVISIONING SUPPLY SUPPORT REQUESTS

FY	Quantity of SSRs Received*
1965	275,000
1966	522,000
1967	590,900
1968	701,000
1969	601,000

*Each SSR represents a requirement for a single item (identified by a manufacturer's name and part number for new items, or by the FSN for existing items.)

(5) It would appear that through such increased use of the provisioning system DSA would have increased advanced knowledge of materiel requirements emanating from provisioning, thereby enhancing DSA's support capability. Unfortunately, this was not so, especially during the Vietnam era. The problems in provisioning encountered by the CONUS ICPs and described in Chapter IV of the Supply Management Monograph severely impacted the DSCs. The deployment of equipment without accomplishing provisioning, the acceleration of equipment deployment dates, thus significantly advancing materiel support dates, and the frequent inadequacy of technical data were the principal problem areas that adversely affected DSA provisioning support. As a consequence, DSA provisioning supply support was not as effective as could have been expected.¹⁵

(6) The provisioning technical documentation and procedural requirements of the Services and DSA are essentially designed for peacetime conditions. The various schedules for completion of provisioning actions stretch over long periods of time, beginning with the award of a contract for an end item that requires provisioning.

(7) One of the greatest reasons for delay in provisioning is the difficulty contractors encounter in developing and furnishing provisioning technical documentation to the Government. This is, of course, a classical problem of many years standing. For years there has been disagreement on the amount of provisioning technical documentation required, with the contractors recommending less and the Government desiring more. Current Government documentation requirements are such that contractors (and their vendors) must expend considerable effort and time to accommodate them.

(8) Much of the provisioning technical documentation required by the Government has little to do with the fundamental provisioning function, i.e., the selection of the range and quantity of spares and repair parts required to support the end item being provisioned. Data are required for peripheral purposes, or programs, such as the Federal Item Identification Guides, Item Entry Control, Increase in Competitive Procurement, and Defense Standardization Program. Nevertheless, in most instances the contractor is required to provide to the Government the complete provisioning technical documentation package before provisioning starts. Waivers are granted on occasion, but not on a regular basis.

(9) The documentation required for these peripheral programs is necessary because the programs contribute to cost reductions and efficiency of the DOD supply system. Under emergency conditions, with U.S. Forces committed in combat, the situation is different.

¹⁵ DSA Headquarters, Briefing, 6 August 1969.

DSA/GSA SUPPORT

The delays attributed to documentation preparation by the contractor significantly delay provisioning and adversely affect subsequent equipment support.

(10) Virtually every equipment or weapon system procured is subjected to voluminous design changes that are reflected in Engineering Change Orders (ECO), which eliminate, add, and change spares and repair parts before, during and after provisioning. This also compounds problems associated with technical documentation, range and quantity determinations, repair parts orders, and the production of required spares and repair parts. Although some design changes are vital, as exhibited during the Vietnam era the rate of design changes culminating in approved Engineering Change Orders can be reduced when desired.

(11) Many commercial equipments were deployed to SE Asia that were not provisioned. This resulted in high Not Operationally Ready, Supply (NORS) rates and supply failures.

(12) Short-cut techniques were developed by Service activities on an ad hoc basis to expedite provisioning under accelerated production and deployment situations. For the most part, these techniques were not formalized to ensure retention and availability in another emergency.

(13) It is necessary, to ensure improved provisioning support in future emergencies, to take certain steps to speed up the provisioning process. Among these are:

(a) Determination of provisioning data required in peacetime, but deferrable during emergencies.

(b) Identifying categories of design changes which, while desirable, are not vital and can be eliminated during periods of accelerated production and deployment of equipment.

(c) Provisioning of new commercial equipments, even though spares and repair parts are not procured for those equipments used in CONUS.

(d) Development of emergency standby provisioning policies, procedures and technical documentation requirements to be used during periods of accelerated production and deployment.

(14) It is not known to what extent DSA supply support was degraded as a result of provisioning problems. There is no management information system available that relates requisitions submitted to Provisioning Supply Support Requests. Therefore, neither DSA nor the Services can assess DSA supply performance related to provisioning forecasts. As will be seen below in the discussion of Special Program Requirements, this technique, where available, has not worked.

d. Special Program Requirements

(1) The second important procedure, that for Special Program Requirements, was developed by DSA in coordination with the Services. The objective here was to enable the DSCs to obtain forecasts of non-recurring requirements for existing items that they could not otherwise forecast (e.g., requirements for new overhaul programs, force deployments, and massive training exercises). This DSAR established the respective responsibilities of the Services and DSA for the accomplishment of this task.

(2) The Special Program Requirements (SPR) system was established with the following specific benefits in mind.

(a) The Services would have assurance of timely support of essential programs without the necessity for advance requisitioning and obligating Service funds.

DSA/GSA SUPPORT

(b) Service program managers would be advised of DSA action to support their programs.

(c) DSA would provide better support of essential programs than would otherwise be possible.

(d) DSA would be provided with information that would permit the DSCs to effect orderly procurement and stockage, instead of responding to requisitions by emergency procurements.

(3) Despite the efficacy of the SPR program, the Services did not use it to the extent possible; therefore, neither DSA nor the Services were able to take full advantage of the benefits that the system offers as noted by the reports of inspection of DSA by the Defense Inspection Service in 1965 and 1968. This is not to say that the SPR system was not used at all. It was, notably by the Army initially. Nevertheless, many requirements forecasts were received by DSA headquarters and the DSCs in letter form, special machine printouts, TWXs, etc. This negated one of the principal advantages of the SPR program, because these communications were not in a computer processable form that could be processed at computer speed with standard outputs to the Service customer, and where necessary to DSC personnel. In addition to increasing processing time, such submissions frequently did not include the necessary data, thus causing additional interrogations to Service activities. Some information furnished by Service activities that was intended to assist requirements forecasting at the DSCs was not usable by the DSCs (e.g., information related to programs about which the DSCs had no knowledge).

(4) The preceding paragraphs deal principally with forecasts sent to the DSCs. The fact is that in many instances no forecasts at all were sent to the DSCs. In some of these cases, DSA personnel were able to identify programs for which SPRs were vital and requested the Services to provide SPRs. This normally resulted in better-late-than-never submissions that nevertheless hampered DSA supply availability. In many instances, however, the first knowledge of a program having significant impact that the DSCs received was the receipt of large quantity requisitions.

(5) It has been demonstrated that the Services failed to submit SPRs. The question then, is why? The answers while simple, present problems that are difficult to solve. The Services' supply personnel in many instances were not aware of, or had little knowledge of the SPR policies and procedures. In some instances, lack of customer confidence resulted in submission of requisitions rather than SPRs.

(6) The extent of degradation of DSA supply support as a result of SPR problems cannot be determined. When the SPR system was developed, DSA requested, and obtained, a new MILSTRIP demand code ("P") to identify a requisition submitted to satisfy a requirement previously forecast as an SPR. This code would permit both the Services and DSA to assess the effectiveness of the SPR system. This code, however, is not used by the Service requisitioners to the extent necessary, thus negating the advantages for which the code was established.^{16, 17}

e. Mobilization Reserves

(1) The DSA plays a unique role in the support of mobilization reserve requirements of the Services. Department of Defense policy concerning management of mobilization reserve stocks of items managed by DSA provides that:¹⁸

(a) Mobilization reserve stock may be composed of:

1. Pre-positioned War Reserve Stock (PWRS)
2. General Mobilization Reserve Stock (GMRS)

¹⁶Report of Inspection of DSA by Defense Inspection Service—1968 (Tab C-4).

¹⁷General Accounting Office Report, OSD Case 3021, September 1969.

¹⁸DDI Instruction 4140.21, subject: Management of Mobilization Reserve Stocks of Items Assigned to the Defense Supply Agency and the General Services Administration.

DSA/GSA SUPPORT

(b) PWRS will be owned, financed, and managed by the Services.

(c) GMRS will be owned, financed, and managed by DSA. Thus, DSA is responsible for management of General Mobilization Reserves only.

(2) DSA is dependent upon the Services to compute (or furnish the basis for computation) the General Mobilization Reserve Materiel Objective (GMRMO), which is the initial mobilization reserve requirement for each item. The Services make the selection of the range of DSA managed items for which the GMRMO is to be computed. DSA has the responsibility for reviewing the Services' item selection and mobilization reserve computations when computing General Mobilization Reserve Requirements (based on Service submissions), and for preparing and defending the mobilization reserve requirements and budget.

(3) The policies and responsibilities described above are the basis for procedures that annually result in the Services and DSA attempting to develop "valid" mobilization reserve requirements, in accordance with the current Secretary of Defense (SECDEF) annual Logistics Guidance. As described below, under the circumstances that existed before and during the Vietnam conflict, this objective was virtually unattainable.

(4) Timing is one of the most critical aspects of the computation for mobilization reserve requirements. Each year, the "crunch point" is the date for submission of the annual budget request to OSD by the Services and DSA. This request is normally due to OSD in October of each year. To achieve this, the Services and DSA must complete their mobilization reserve item selection and computation tasks between the time the SECDEF Logistics Guidance is issued and October of each year. (It must be noted that for DSA items, the Services not only compute the GMRMO to be sent to DSA, but also the Pre-positioned War Reserve Requirements.) The principal timing problem begins with the issuance of the SECDEF Logistics Guidance.

(5) Typically, SECDEF Logistics Guidance was issued in the May-June time frame (in 1966 it was issued 26 August). Mobilization reserve requirements, to be considered valid by budget reviewers, must be computed in accordance with the latest Logistics Guidance. They are also the basis for the mobilization reserve funding request in the President's budget submission each year. To achieve this, the following major actions are required.

(a) The Services and DSA headquarters evaluate the SECDEF Logistics Guidance and implement to sub-headquarters (e.g., USAMC), which in turn implement to other field activities (including ICPS and DSCs). (At this point, changes to previous Logistics Guidance require significant automatic data processing (ADP) work load to effect data processing programming changes.)

(b) Major end item requirements are developed by Service activities (principally by ICPS).

(c) Secondary item requirements to support major end items are computed (includes allowance revisions) by Service ICPS.

(d) Service ICPS submit GMRMO requirements for each FSN selected for mobilization reserve stockage to the DSCs.

(e) DSCs evaluate and validate GMRMO item selection and requirements submitted by the Services.

(f) DSCs compute General Mobilization Reserve Acquisition Objectives and determine stockage deficiencies.

(g) DSCs prepare budget and submit to DSA headquarters (normally required in early September each year).

(h) DSA Headquarters submits budget to OSD (normally in early October).

(6) For FYs 68 and 69 (typical years) the Service activities submitted mobilization reserve requirements to the DSCs for approximately 240,000 FSNs.¹⁹ Because the SECDEF Logistics Guidance is normally issued in the May-June time frame, as noted above, a maximum of 4 months is left to compute mobilization reserve computations, involving all the major steps listed above, plus a myriad of additional detailed procedures.

(7) A particular problem encountered annually in this complex procedure is the re-programming of data processing systems at the DSCs. The lack of sufficient time and the frequent substantive changes in the Logistics Guidance and computation factors each year have resulted in massive expenditure of programming time at some DSCs and an inability to compute the requirement on ADP equipment at other DSCs.

(8) Figure 34 illustrates the lack of DSA success in establishing its mobilization reserve program. The mobilization reserve unfunded deficiency of approximately \$200 million in FY 64 grew to \$1.803 billion in FY 69, while total mobilization reserve stocks of approximately \$400 million in FY 64 have grown to only \$548 million in FY 69. (In FY 68 DSA was directed by OSD to draw down \$50 million worth of clothing and textile mobilization reserve stocks.) The significant fluctuation in inventory and deficiencies highlights the volatile nature of OSD policy and guidance for mobilization reserves, such as the dropping of the Base Line Objective concept in FY 67. The amount of funds requested varied from the request for the total deficiency in FY 64 to only \$110 million of a \$1.883 billion deficiency in FY 70. The amount of funds requested was based on the budget climate at the time and the validity of, or confidence in, the requirements.²⁰

(9) The mobilization reserve funding depicted in Figure 34 is the principal reason why the JLRB has been presented with mobilization reserve as a problem. Due to the very limited time allowed each year for an almost overwhelming task, the Services and DSA have produced mobilization reserve requirements for DSA managed items that were difficult to defend. This has been the history of DSA General Mobilization Reserve requirements since the inception of DSA. Funding has been made available only for those instances where DSA headquarters and the DSCs have been able to isolate a relatively small area and compute reasonably valid requirements. Mobilization reserves funding requirements were successfully defended for medical supplies, aerial film, and photographic supplies, and the Clothing and Textile Readiness Reserve.²¹ The vast area of repair parts mobilization reserve requirements has never been funded. Under the past, and current, policies and procedures it is not possible to compute "valid" General Mobilization Reserve requirements for the wide range of DSA managed items for which mobilization reserve requirements have been submitted by the Services.

(10) The ineffectiveness of policies and procedures concerning mobilization reserve computations for DSA managed items has long been recognized. In 1965 an OSD study concluded that a complete redesign of mobilization reserve procedures for DSA managed items was necessary; among the nine recommendations made on this subject was the following:²²

"OSD, the military services and DSA conduct a complete redesign of the GMR computation procedures and basis therefor, as they apply to DSA-managed materiel."

(11) The 1965 DSA inspection by the Defense Inspection Service concluded that the mobilization reserve concept was not working, was outdated, did not fill the need for which it was intended, had not been adequately funded, and should be completely reevaluated.

¹⁹Report of Inspection of DSA by Defense Inspection Service - 1968.

²⁰DSA, Memorandum, DSAH-CS, subject: Defense Stock Fund Data, 9 September 1969.

²¹DSA, Memorandum, DSAH-CS, subject: Defense Stock Fund Data, 9 September 1969.

²²ASD (I&L), Progressive Refinement of Integrated Supply Management, March 1965.

DSA/GSA SUPPORT

(12) As a result of these reports, OSD directed the DSA Analysis Division to conduct a study of the mobilization reserve area. The study encompassed the computation of mobilization reserve requirements for all secondary items and was published in March 1967. The study was not implemented by OSD.

(13) The Logistics Guidance Conference held 10-11 May 1968 recognized the problem involved in the timing of logistics guidance issuance each year. The Office of The Assistant Secretary of Defense (Systems Analysis) was assigned action responsibility for this problem.²³ To date, however, no substantial improvement in the issuance date of the logistics guidance has resulted.

(14) The Report of Inspection of DSA by the Defense Inspection Service (DINS) in 1968 noted the above, cited the results of FYs 68 and 69 mobilization reserve computations for DSA managed items, and found that:

(a) "The re-evaluation of the Mobilization Reserve Program as recommended by the 1965 DINS Inspection of DSA is still incomplete.

(b) "In order to validate mobilization reserve budget requests and procurement programs, further development of the item selection criteria and computation review techniques is required."

(15) The Army and Air Force concurred with the 1968 DINS findings. The Marine Corps reiterated its offer to assist DSA in budget defense. The Navy offered no comment. The OASD (I&L) staff concurred and stated: "The ODASD (DS) has a project on the Mobilization Reserve program underway and due to be completed about August 15, 1969. . . ." This study was completed; however, it was an informal study of the adequacy of Service computations and compliance with Logistic Guidance to aid OSD staff members in their evaluation of mobilization reserve funding requests.²⁴

(16) Despite the fact that the problem has been frequently identified, there has not been a comprehensive study of mobilization reserve for DSA managed items conducted and implemented.

(17) In 1969, OSD revised the DOD Planning Programming and Budgeting (PPB) System. The revised system is in effect for the FY 72 budget and the Five Year Defense Program for 1972-77.²⁵

(18) The new PPB System eliminated much of the specific guidance formerly included in the annual SECDEF Logistics Guidance, leaving it to the Services and DSA to develop and document the detailed data used in developing materiel support objectives (e.g., combat consumption rates and pipeline). When these data were in the Logistics Guidance they were uniform in their application to requirements. Under the revised PPB system, the Services will be unable to furnish guidance to their ICPs for the computation of mobilization requirements until after the submission of their Program Objective Memorandums, which will take place in the middle of May 1970.

(19) These procedures do not provide sufficient time for the development and submission by the Services, and computation by DSA of mobilization requirements for inclusion in the FY 72 budget.²⁶

²³(OASD (I&L) Memorandum to Participants in Logistics Guidance Conference, Fort Ritchie, Md. May 10-11, 1968.

²⁴(OASD (I&L), Memorandum, subject: Mobilization Reserve Requirements for Secondary Items, 2 December 1969.

²⁵(DOD Instruction 7045.7, subject: The Planning, Programming and Budgeting System, 29 October 1969.

²⁶Headquarters, DSA, Memorandum, DSArd-IXP, subject: Fiscal and Logistic Guidance, 20 February 1970.

DSA/GSA SUPPORT

(20) It appears from an analysis of the above data, that there is no possibility of having the Logistics Guidance and Program Objectives data promulgated early enough to permit the Services and DSA to compute valid mobilization reserve requirements for thousands of items upon which to base DSA mobilization reserve funding requirements in the budget. The Logistics Guidance and the elements of data used as the basis for mobilization reserve requirements lack sufficient stability to permit advance planning, or data processing system changes, in time to compute valid mobilization reserve requirements. (See the Logistics Planning Monograph for further discussion of this problem.)

(21) The only reasonable alternative to these problems is to reduce the scope of the task to that which can be accomplished by the Services and DSA within the time allotted each year.

3. GENERAL SERVICES ADMINISTRATION

a. Supply Effectiveness

(1) Measurement of GSA's support effectiveness is subject to the same warnings as described in paragraph 2a for the DSA. As was done in the case of DSA, the Service headquarters were requested to provide statistics and comment covering the support received during the Vietnam era from GSA. Visits to field activities of the Services were preceded by the forwarding of questionnaires that requested evaluation of GSA support during the Vietnam era.

(2) The Service headquarters response stated that GSA support during the Vietnam era was adequate.²⁷ All of the Services stated that GSA fill rates have not been regularly reported. All of the Services use the management by exception principle concerning GSA supply support, i. e., should support problems arise, management attention is focused on the problem until it is resolved. Therefore statistical data provided by GSA have been used, together with solicitations of opinions during field visits, to assess GSA support effectiveness during the Vietnam era.

(3) As shown in Figure 35, overall GSA supply availability at the beginning of the Vietnam era was 89.4 percent. Overall supply availability fluctuated slightly through June 1969 but never reached an unacceptable level. GSA on-time fill statistics are available only from July 1966 to June 1969.²⁸ As shown in Figures 36 through 38, on-time fill statistics did not reach unacceptable levels during this period. Visits to Service activities surfaced only a few individual item problems, which had been satisfactorily resolved. The general tenor of comments from the customer level was that GSA support has been excellent. Accordingly, overall GSA support during the Vietnam era was fully responsive to the needs of the Services.

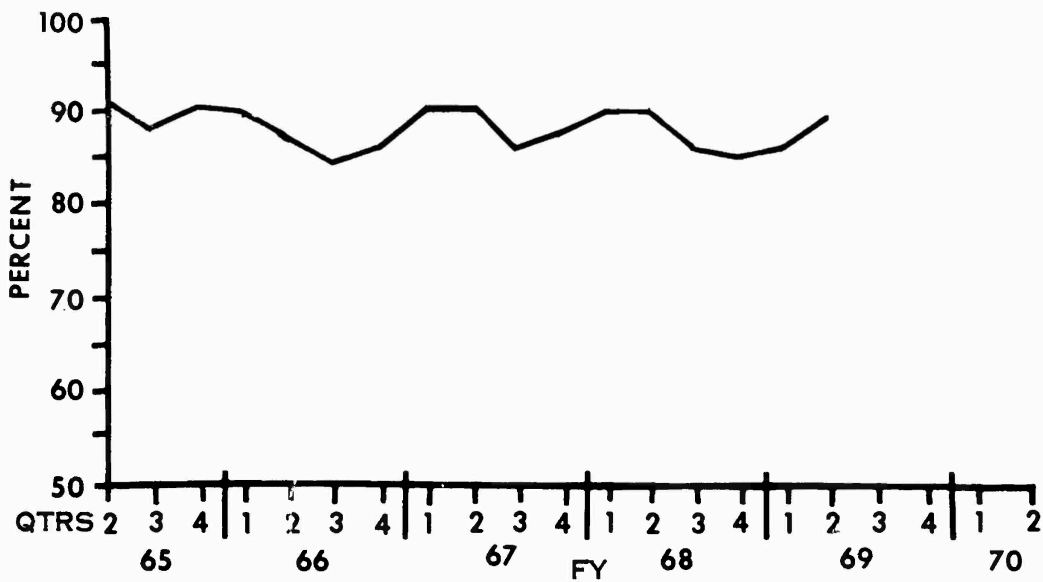
b. Support Responsibilities

(1) There was a significant difference in the scope of support responsibility of GSA as contrasted to that of the Services' and DSA supply systems. Prior to the beginning of the Vietnam conflict, the GSA relationship with the Services began through interagency procurement assignments in which GSA acted as the procuring agency for such items as office furniture and furnishings, office machines and supplies, and other common-use items. Informal procedures were used by which the Service ICPs offered items to GSA for management.

(2) In 1962, OSD and GSA agreed to policies that provided for DOD referral of common, commercial items to GSA for management. In June 1963, OSD and GSA promulgated

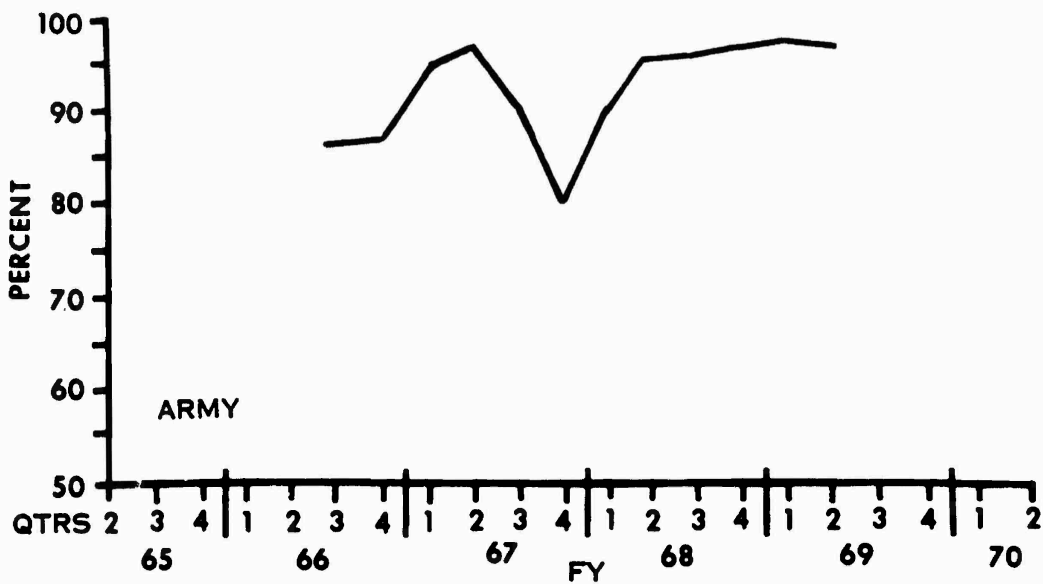
²⁷USADCSLOG Memorandum of 24 March 1970; OPNAV Memorandum of 31 July 1969; Headquarters, USMC Memorandum, subject: Defense Supply Agency and General Services Administration Support evaluation of; 15 July 1969; Headquarters, USAF Memorandum of 13 January 1970, subject: Evaluation of DSA and GSA Support.

²⁸GSA Letter of 4 September 1969.



SUPPLY AVAILABILITY AS USED BY GSA MEASURES THE AVAILABILITY OF ASSETS TO SATISFY REQUISITIONED QUANTITIES AT THE TIME THE REQUISITION IS PROCESSED.

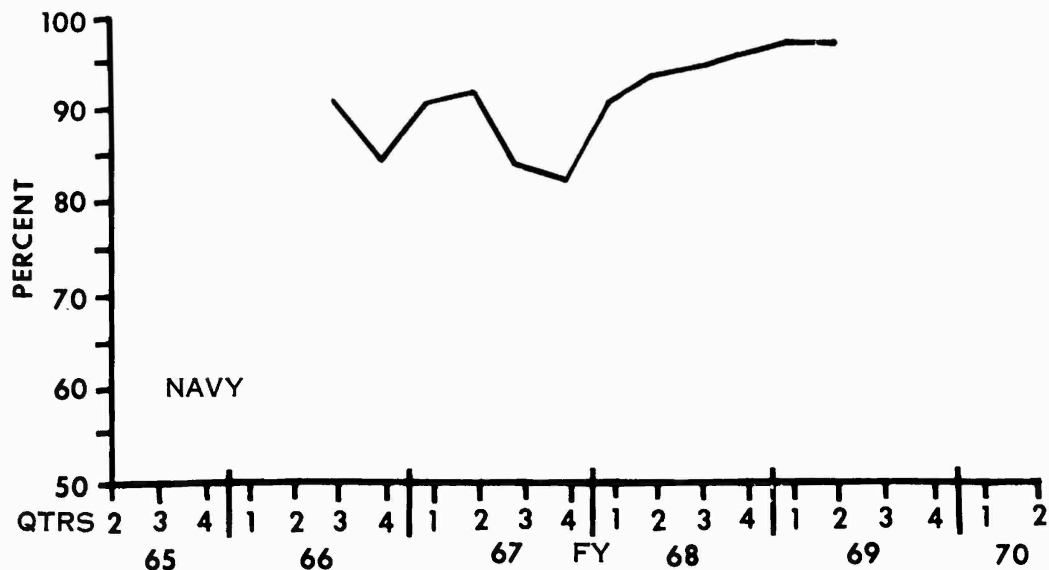
FIGURE 35. GSA SUPPLY AVAILABILITY



ON - TIME FILL MEASURES THE ABILITY OF GSA TO PROCESS REQUISITIONS WITHIN UMMIPS TIME FRAMES UP TO THE POINT OF THE MATERIEL BEING OFFERED FOR TRANSPORTATION.

FIGURE 36. GSA ON-TIME FILL (ARMY)

DSA/GSA SUPPORT



ON - TIME FILL MEASURES THE ABILITY OF GSA TO PROCESS REQUISITIONS WITHIN UMMIPS TIME FRAMES UP TO THE POINT OF THE MATERIEL BEING OFFERED FOR TRANSPORTATION.

FIGURE 37. GSA ON-TIME FILL (NAVY)



ON - TIME FILL MEASURES THE ABILITY OF GSA TO PROCESS REQUISITIONS WITHIN UMMIPS TIME FRAMES UP TO THE POINT OF THE MATERIEL BEING OFFERED FOR TRANSPORTATION.

FIGURE 38. GSA ON-TIME FILL (AIR FORCE)

a Memorandum of Understanding that provided for transfer of procurement and item management functions to GSA for hand tools and paints. This was the scope of GSA support of the DOD at the beginning of the Vietnam era. As indicated in Chapter II of this monograph, the scope of GSA support to the DOD grew very rapidly during the Vietnam era.

(3) In March of 1965, GSA managed 48,485 items (all supply status codes) in support of the Services. In March of 1969 this number had grown to 65,259 items.²⁹ As shown in Figure 39, in FY 53 GSA sales to the Services accounted for 41 percent of the total, but increased to 78 percent of all GSA sales in FY 69. Inventories for the same period rose from \$24.9 million to \$254.5 million, a total increase of 922 percent. During the period March 1965 to March 1969, GSA capitalized stocks of \$62.0 million from DSA and \$5.3 million from the Services. The preponderance of GSA sales and inventory investment are currently dedicated to the support of the Services.³⁰

(4) To assist GSA in the expansion of its scope of supply support necessitated by the transfers of responsibility from DSA, substantial personnel and financial resources were transferred from DSA, as shown below:³¹

(a) Number of personnel spaces transferred: 522

(b) O&M funds: \$7,104,000

(5) GSA found it prudent to enhance the supply data processing capabilities of the 10 regions and the National Inventory Control Center. Prior to the Vietnam era, the various regions were utilizing data processing equipment such as the IBM 1401 and 1410 equipment. This was enhanced during the Vietnam era by installation of the General Electric 400 Series data processing equipment, as shown below:

One region obtained a GE 415

Four regions each obtained a GE 425

Five regions obtained a GE 435

The National Inventory Control Center received one GE 435 (actually operated for the NICC by region 3).

(6) The GSA capability to respond to the supply support required by the Services was therefore enhanced by transfer of resources from the DOD and the actions taken by GSA. The effects of these actions can be seen in the high degree of responsiveness GSA achieved in support of the Services.

c. Mobilization Reserves

(1) The early agreements between DOD and GSA, while transferring item management responsibility to GSA, directed the retention of certain functions by the DOD. One of these functions was the management of Mobilization Reserves. This responsibility was retained by DOD until 1 July 1968. On that date, mobilization reserve management was transferred from DSA to GSA for items previously transferred to GSA management. GSA capitalized mobilization reserve stocks of \$1.3 million from ISA. Including stocks previously held as Federal Supply Service Reserve Stocks, on 1 July 1968 total GSA mobilization reserve stocks amounted to \$6.7 million. On 30 June 1969 this figure had increased to \$10.1 million.³²

²⁹GSA Letter to RADM Bottoms, 4 September 1969.

³⁰Headquarters, GSA, Briefing, 20 October 1969.

³¹DSA Memorandum DSAH-IJR, subject: DSA-GSA Relationships, 1 December 1969.

³²Headquarters, GSA, Briefing, 20 October 1969.

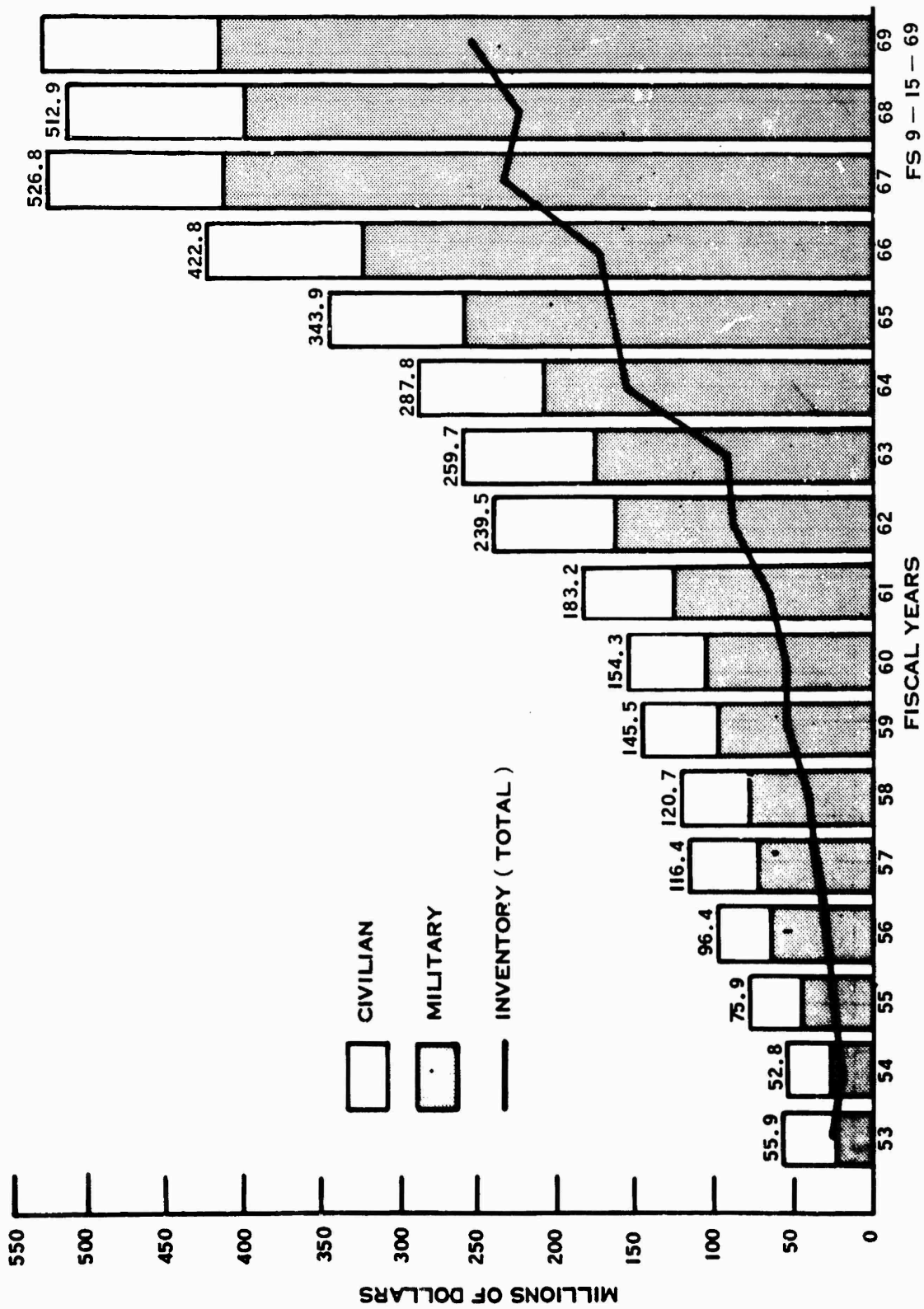


FIGURE 39. TOTAL STORES STOCK SALES (YEAR-END INVENTORY)
FY 1953 - FY 1969

DSA/GSA SUPPORT

(2) GSA had not received mobilization reserve requirements from any Service except the Army and did not know when such requirements would be received. The Air Force has stated that USAF mobilization reserve requirements for GSA managed items would not be computed.³³ In the absence of known mobilization reserve requirements from the Services (except the Army) the capability of GSA to support such Service requirements is tenuous.

4. SUMMARY

a. Defense Supply Agency

(1) DSA overall support to the needs of the Services was responsive. Significant wholesale level and pipeline shortages of some DSA managed items or categories of items developed. This occurred for clothing and textiles; field fortification items; meals, combat, individual; and M8A1, landing mat. Nevertheless, the DSA image as a supplier was very good.

(2) There were two basic reasons for DSA materiel shortages:

(a) DSA peacetime operating stocks and General Mobilization Reserve Stocks were not adequate to meet the wartime surge in demand.

(b) Program and planning data furnished to DSA by the Joint Chiefs of Staff and the Services were neither adequate nor timely.

(3) As in the case of the Service CONUS ICPs, the Defense Supply Centers involved in provisioning encountered significant problems. The deployment of equipment without accomplishing provisioning, the acceleration of equipment deployment dates, and the frequent inadequacy of technical data were the principal problem areas that adversely affected DSA provisioning support to the Services.

(4) Short cut provisioning techniques were developed by the Services to expedite provisioning under accelerated production and deployment situations. For the most part these techniques were not formalized as either emergency standby policies or procedures to be used in future emergencies.

(5) Prior to the Vietnam era, DSA, in conjunction with the Services, had developed the Special Program Requirements System. The fundamental objective was to enable the Defense Supply Centers to obtain forecasts of non-recurring requirements for existing items that they could not otherwise forecast. Although this program was efficient, the Services did not use it to the extent possible; therefore, neither DSA nor the Services were able to take full advantage of the benefits that the system offered.

(6) In the mobilization reserve functional area, DSA performed a unique role. DSA was dependent on the Services to compute (or furnish the basis for computation of) the initial mobilization reserve computations. Both the Services and DSA encountered difficulty in computing mobilization reserve requirements that were considered valid by OSD and BOB. These difficulties were frequently identified and studied, but no definitive actions were taken by higher authority to correct the situation.

b. General Services Administration

(1) The supply support rendered to the Services during the Vietnam era by the GSA was responsive and significant shortages of GSA managed items did not develop.

(2) There was a significant difference in the scope of support responsibility of GSA, as contrasted to that of the Services and DSA. The range of GSA managed items in support of the Services increased from 48,485 items in March of 1965 to 65,259 items in March of 1969. GSA sales to the Services grew from 41 percent of the total in FY 1953 to 78 percent of all GSA sales in FY 69.

³³Discussion with GSA representative, 13 November 1969.

DSA/GSA SUPPORT

(3) As the numbers of GSA managed items in support of the military increased, GSA capability (funds and personnel) were enhanced by transfers from the DSA. The GSA found it prudent to enhance its supply data processing capabilities to respond to its new responsibilities, and added significant amounts of data processing equipments to its 10 regions and the National Inventory Control Center.

(4) The GSA assumed responsibility for management of Mobilization Reserve Stockage of GSA managed items on 1 July 1968. Mobilization reserve requirements were not received by GSA from the Services, except for the Army; therefore, GSA support of Services' mobilization requirements was uncertain.

5. CONCLUSIONS, OBSERVATIONS, AND RECOMMENDATIONS

a. Conclusions

(1) Overall support by the Defense Supply Agency was responsive to the needs of the Services during the Vietnam era. There were, however, significant wholesale level and pipeline shortages of some Defense Supply Agency managed items (paragraph 2a).

(2) The Defense Supply Agency peacetime operating stocks and the General Mobilization Reserve Stocks were not adequate to meet the Vietnam demand surge (paragraph 2a).

(3) The concept of management of General Mobilization Reserves for Defense Supply Agency items is not effective and requires substantial revision (paragraph 2e).

(4) The Defense Supply Agency has not been able to compute valid mobilization reserve requirements (except for relatively small, homogeneous groups of items) for various reasons, particularly the large number of items nominated by the Services for mobilization reserve stockage (paragraphs 2e(8)(9)).

(5) The Defense Supply Agency has not always provided timely provisioning support of equipments being produced and/or deployed under accelerated schedules, because procedures have not considered the lack of time available for accomplishing the provisioning and procurement actions (paragraph 2c).

(6) The General Services Administration support of the Services was responsive (paragraph 3a).

(7) The General Services Administration sales to the Services versus those to civil agencies increased from 41 percent of all sales in FY 53 to 78 percent in FY 69 (paragraph 3b(3)).

b. Observations

(1) The procedures existing during the Vietnam era for the Services to forecast Special Program Requirements to DSA were adequate but were not used as effectively as possible, thus contributing to Defense Supply Agency requirements forecasting problems.

(2) The General Services Administration support of the Services' mobilization requirements for General Services Administration managed items is uncertain, primarily because most of the Services have not furnished the General Services Administration their mobilization reserve stockage requirements, and because the problems experienced by the Defense Supply Agency are certain to be applicable to the General Services Administration, but more difficult to resolve when an agency independent of the Department of Defense is involved.

DSA/GSA SUPPORT

c. Recommendations. The Board recommends that:

(1) The concept of management of General Mobilization Reserves of Defense Supply Agency managed materiel be revised by the Office of the Secretary of Defense as follows:

(a) Conventional mobilization reserve item selection criteria and computation procedures be retained only for the following categories of Defense Supply Agency managed materiel:

1. Medical
2. Clothing and textiles
3. Subsistence
4. Packaged petroleum products
5. Photographic supplies
6. Field fortification materiel.

(b) For all other commodities assigned to the Defense Supply Agency for management, item selection by the Services be tightened to restrict selection for mobilization reserve stockage to a limited number of items that are of critical combat importance (DSA/GSA-4)(conclusions (2), (3), and (4)). (Other recommendations concerning logistics guidance and mobilization reserves are in the Logistics Planning Monograph.)

(2) The Services and the Defense Supply Agency develop and document techniques for accelerated provisioning during future military emergencies. These techniques should include requirements for provisioning of commercial end-items to be deployed in combat theaters; reducing the frequency of Engineering Change Orders; and policies and procedures for expediting repair parts ordering. These techniques should be published as emergency annexes to provisioning instructions (DSA/GSA-5)(conclusions (1) and (5)).

CHAPTER V

SUMMARY

CHAPTER V SUMMARY

1. OVERVIEW

a. Current concepts of integrated material management and the provision of common logistic services from a single source for all the forces of the Department of Defense (DOD) evolved during periods of peace, primarily since the Korean War. Consequently the Vietnam conflict has provided, for the first time, the opportunity to assess the effectiveness of these concepts under combat conditions.

b. The support roles assigned to integrated managers have grown at a rapid rate since the establishment of single manager operating agencies during the 1950's. The Defense Supply Agency (DSA), an outgrowth of these single manager agencies, was established in 1961 as a separate agency reporting directly to the Secretary of Defense to function as a consolidated wholesaler for assigned items of supply. Concurrent with the establishment of DSA, the General Services Administration (GSA) was given an increased role in the provision of integrated logistic support to the Department of Defense.

c. The support roles currently assigned to DSA and GSA are substantial. The DSA is assigned inventory management responsibilities for approximately 1,973,000 common items of supply, of which 620,000 were assigned during the Vietnam area. The GSA manages about 68,500 Department of Defense-interest common supply items, with the responsibility for supporting the DOD on about 20,000 of these having been added since the start of the Vietnam conflict.

d. The DSA's operations are conducted within the United States, excluding Alaska and Hawaii, except as specifically extended by the Secretary of Defense. Its supply distribution system consists of six Defense Supply Centers and four Defense Depots, all of which are located within the 48 contiguous States.

e. The GSA, an independent agency of the executive branch, serves as the primary DOD source for GSA procured items of supply. It is organized into a headquarters and 10 regional offices with a Federal Supply Service (FSS) function assigned to each. The FSS is involved in the procurement, receipt, management, storage, and distribution of materials and equipments to all federal agencies including the military. The FSS system interfaces with DOD activities through the use of the standard requisitioning system (MILSTRIP) and the uniform material issue priority system (UMMIPS).

f. In general, supply support by both DSA and GSA was responsive throughout the Vietnam era. Some wholesale level and pipeline shortages of DSA managed items did develop, primarily clothing, textiles, fortification materials, and the M8A1 landing mat.

g. Initially, integrated management was accomplished by assigning all items in a Federal Supply Class (FSC) to a single manager. This was feasible because the classes were homogeneous, uncomplicated, and consisted primarily of food, clothing, textile, medical, and petroleum products. With the addition of other more complex FSCs beginning in 1959, the problem developed of selecting the proper specific items for integrated management. Several unsuccessful attempts were made to institute single, uniform criteria for selecting items for integrated management. In October 1964, revised criteria were developed to provide uniform and specific guidance that would permit the retention by the Services, when warranted, of items in FSCs assigned for integrated management. The criteria did not permit Service retention of an item for management solely because it might be used by only one Service. The Defense Materiel Council accepted the revised criteria and, late in 1964, directed an application test. At the April 1965 Defense Materiel Council meeting, the findings and recommendations developed by the test were presented and approved.

h. The preceding paragraphs summarize the more important aspects of DSA/GSA support of the Services prior to and during the Vietnam conflict. The major lessons learned, and the recommendations developed within the monograph, are addressed in the balance of this chapter.

2. ITEM MANAGEMENT CODING

(1) In general, the Item Management Coding (IMC) assignment criteria approved in 1965 have proved effective in determining item management assignments and have gained general acceptance by the Services. However, since the factors upon which the criteria and the program policies and procedures are based are dynamic and subject to variations in importance and application, there is a requirement for periodic review and updating to ensure currency with existing conditions, situations, and needs.

(2) In many instances during the Vietnam era the application of the approved Item Management Coding criteria resulted in the assignment of items to integrated managers that were used by only one Service. Among the items so assigned, there were some of such unique characteristics that they can be identified as having ultimate usage by only one Service and whose retention for Services management is desirable.

(3) The present sequential filter screening procedure for applying the Item Management Coding criteria requires a substantial amount of effort on the part of the coding Service. Major changes can cause severe and perhaps unwarranted strain on the Service's and integrated manager's logistic capabilities if implemented during the periods of peak work load in support of the combat operations. An example of such a change was the Retroactive Item Management Coding Program implemented in 1965.

b. Recommendations

(1) Item Management Coding policies, procedures, and criteria be reviewed by the Services (through the Joint Logistics Commanders) and the integrated managers for adequacy in light of current needs, situations, and conditions and that recommendations for updating and simplification be submitted (DSA/GSA-1).

(2) The following excepting criterion be added to the approved Item Management Coding criteria:

UNIQUE ITEMS—These are items of such unique characteristics that they can be identified as having ultimate usage by only one Service (DSA/GSA-2).

(3) In the future, the Office of the Secretary of Defense give extreme care and consideration to existing commitments and capabilities in determining the timing for accomplishment of programs, such as the Retroactive Item Management Coding Program, that would impose severe added logistics work loads on the Services (DSA/GSA-3).

3. SUPPLY SUPPORT

a. Lessons Learned

(1) Overall support to the Services by the DSA and the GSA during the Vietnam era was responsive. However, some shortages of DSA-managed items did occur, primarily because of inadequate forecasting of requirements by the Services and DSA.

(2) Under policies and procedures existing during the Vietnam conflict it was not possible to compute valid General Mobilization Reserve requirements for the wide range of DSA-managed items for which mobilization reserve requirements were submitted by the Services.

DSA/GSA SUPPORT

(3) The technical documentation and procedural requirements of the Services and DSA that govern provisioning activities were essentially designed for peacetime operations. They did not prove to be sufficiently responsive for support of active combat.

b. Recommendations

(1) The concept of management of General Mobilization Reserves of Defense Supply Agency managed material be revised by the Office of the Secretary of Defense as follows:

(a) Conventional mobilization reserve item selection criteria and computation procedures be retained only for the following categories of Defense Supply Agency managed materiel:

1. Medical
2. Clothing and textiles
3. Subsistence
4. Packaged petroleum products
5. Photographic supplies
6. Field fortification materiel.

(b) For all other commodities assigned to the Defense Supply Agency for management, item selection by the Services be tightened to restrict selection for mobilization reserve stockage to a limited number of items that are of critical combat importance. (DSA/GSA-4). (Other recommendations concerning logistics guidance and mobilization reserves are in the Logistics Planning Monograph.)

(2) The Services and the Defense Supply Agency develop and document techniques for accelerated provisioning during future military emergencies. These techniques should include requirements for provisioning of commercial end-items to be deployed in combat theaters; reducing the frequency of Engineering Change Orders; and policies and procedures for expediting repair parts ordering. These techniques should be published as emergency annexes to provisioning instructions (DSA/GSA-5).

APPENDIX A
CLOTHING AND TEXTILES PROBLEMS

APPENDIX A

CLOTHING AND TEXTILES PROBLEMS

1. PROGRAM AND PLANNING DATA

a. There are two basic regulatory documents that address the need for actual and projected personnel strength data to be used in clothing and textiles requirements computations. These documents are Department of Defense Directive 4000.22, dated 4 October 1966, and DSAR 4235.2, dated 13 March 1963. The former document establishes the Defense Supply Agency's (DSA) need for logistics planning data and directs the Services to provide personnel strength data and other logistics planning data to the DSA. The latter document is a joint regulation that is the basis for clothing and textiles requirements computations.

b. During periods of buildup such as experienced in Vietnam, it is vital that timely, accurate, and complete planning and program data be available to the Defense Personnel Support Center (DPSC) in order that the center can implement the proper supply management actions. During early 1965, program information indicated a recruit input for Army of about 318,000 men during FY 66. This program provided for an input projection of 82,900 recruits for the First Quarter of FY 66. The actual input during the Quarter was 111,105 men or a net increase of 34 percent. Had the actual input data been available, procurement actions to support this Quarter of demand, because of the procurement lead times of clothing and textile (C&T) items, would have been initiated 6 to 9 months prior to the Quarter, during the period November 1964 and February 1965. Since the input data used were smaller than the actual, deliveries during the initial buildup in Vietnam were inadequate to meet actual needs. Similar conditions existed for the other three Services.

c. Information having a significant effect on requirements computations, such as program strengths, actual and projected, authorized allowances, reports of recruit input by pertinent classification, and program modification directives should be furnished by the Services well in advance of the anticipated actual need. Lack of this timely and definite program data, as noted above, caused serious stock deficiencies through the increased demands which were not offset by increased deliveries from procurement during the same time frame. During the time frame of 2 July 1965 through 4 October 1965, there were 26 new programs initiated. DPSC was advised of these programs, which reflected a constantly increasing need for clothing and textile items. The impact of these programs ranged from a low of \$300,000 to a high of \$166 million of anticipated demands for which previous planning information had not been available. To be effective, programming and planning data must not only be accurate and timely but also must be complete and stable. As the result of these program changes, DPSC was constantly behind in supply management actions supporting the Vietnam buildup.

d. The current procedure of obtaining personnel strength data from the Services is effective in providing DPSC with the most current strength data available from the Services. Recurring reports, allowance increases, and other information pertaining to strength or clothing requirements are made available to headquarters, DSA and DPSC, by the various personnel and logistical staff elements of the Services and the U.S. Coast Guard. Headquarters, DSA, extracts personnel strength data from all available sources biannually and provides the data to DPSC. In addition to the normal distribution of reports, the Services have designated a single point of contact to coordinate any personnel strength data requirements of DSA. These points of contact are most cooperative in providing DSA with current data when approved by the individual Services. The major problem being experienced at DPSC is the need for more stable data in an earlier time frame to meet the long procurement lead time necessary in clothing and textile procurement. Budgetary restrictions have forced DPSC to be more cautious in buying and stocking and to ensure minimum expenditure of stock fund resources to meet projected needs.

DSA/GSA SUPPORT

e. The use of the Special Program Requirements (SPR) procedure for C&T items by all Services during the Vietnam era was limited. In fact the number of submissions for clothing and textiles was insignificant compared to SPRs received in other commodity areas during the same time frame.

2. SUPPLY PROBLEMS

a. Throughout the period of the Vietnam era, numerous problems were experienced. Principal among these were suppressed demand (i.e., demand which actually existed, but was not furnished to DPSC), asset visibility, Military Assistance Program (MAP) support, and insufficient textile materials (Government Furnished Property) to produce the end-items in the required quantities within the desired time frame.

b. The problem of suppressed demand, for clothing and textile items, has been caused by fund shortages, temporary reduction in allowances for items within the Service, and changes in the Services' authorized stockage levels. The United States Army, Pacific, just prior to the close of FY 65, advised DPS that they would submit a significant quantity of requisitions to DPS (during the First Quarter of FY 65). This was to be done because of their delay in submission of replenishment requirements. As a result of experience, not only in this one instance, but throughout the first year of Vietnam buildup, DPSC recommended that the Services be contacted regarding the extent of the causes behind suppressed demand. In August 1966, Headquarters, DSA, advised that a fulltime liaison with the Joint Chiefs of Staff, the Department of Defense, and the individual Services would be established to obtain and disseminate data. Further, a Clothing Problem Working Group was created to effect liaison between DPSC and the Services. Additionally, liaison trips to Vietnam and the CINCPAC commands were effected to obtain information and planning data in these areas.

c. The knowledge of asset positions during the Vietnam period would have assisted in the avoidance of both excesses and shortages. In the first weeks of the Vietnam buildup several units requisitioned full complements of body armor, steel helmets, and related items of individual combat equipment over and above what would be considered their immediate operational needs. This situation reflected a shortage of on-hand unit assets. Knowledge of these conditions, particularly of items with low peacetime demands, would have enabled DPSC to allocate more equitably available funds and would have resulted in supply decisions leading to procurement requests more closely attuned to real future needs. Conversely, the presence of excesses within the Vietnam theater, when unreported, can result in the development of excess positions. Lack of knowledge concerning excesses resulted in buys, in some cases, which were not required to support the Services, as they already had sufficient assets to meet their requirements.

d. This condition is not limited to the Vietnam era, but is a continuing problem. Timely accessible information concerning the shortages and overages at the retail level would materially improve supply-procurement decisions.

e. MAP Grant Aid sales in the last 5 years have ranged from \$36.8 million to \$57.2 million. These sales have taken place during the same time that sales for the Services were increasing. Under policy existing at the start of the Vietnam conflict and continuing to the present time, requisitions in support of MAP are treated on an equal basis with those of the Services. The basic problem during the Vietnam era was that, except when funding became available, the assets required to support these MAP needs were not prestocked. This led, in numerous cases, to back order conditions where MAP demand represented a significant portion of the total demand of the item. Ammunition pouches, rucksacks, steel helmets, helmet liners, etc., are particularly applicable to MAP programs and have represented, in many instances, a demand equivalent to the major military customers using the specific items. Failure to forecast automatically these significant demands and to fund them in exactly the same manner as requirements for the Services has led to a deteriorated supply position for the Services' customers and to the MAP countries.

DSA/GSA SUPPORT

f. Mobilization reserve policy also seriously affected DPSC ability to support the Services during the Vietnam era. The mobilization reserve for clothing and textile items has experienced many changes in concept before and after the SE Asia situation started. During the pre-SE Asia period, mobilization reserve stocks contained insufficient outer dress wear. Mobilization Reserve was composed mainly of cold weather and individual equipment combat items obtained from capitalized inventory and were essentially hold-overs from the Korean War.

g. Few hot-climate items and no Army dress "bag" items were included among the mobilization reserve items during this period. DPSC, therefore, entered the Vietnam era without mobilization reserve protection for the items required in that theater and without items vitally needed to equip recruits. As the result of DPSC experience during the first year of the SE Asia action, a Readiness Reserve was created to support 200,000 men. However, the funding for this was not received until March of 1967, 5 months after the peak dollar back order position had been reached.

h. As of 30 June 1969, DPSC had \$426.6 million as a Protectable Mobilization Requirement, offset by an on-hand asset position of \$387 million. It should be pointed out that, in this area also, funding plays a great part, and imbalances in mobilization stocks have been caused by funding cuts of \$50 million in FY 68. As can be seen from the preceding, the forecasting of mobilization reserve requirements seriously affects support capability in the event of any buildup. The Vietnam situation could have been better supported with C&T items in its initial stages had DPSC had hot-climate items and more dress uniform items in Mobilization Reserve. This experience necessitates consideration of a balanced mobilization reserve concept, one in which the support needs of the fixed number of personnel is considered for each climatic area in which they may potentially serve. In this manner effective support could be more readily achieved for significant short time frame increases in Service needs.

i. As DPSC entered the Vietnam era, it had no effective mobilization reserve program to support GFP textiles required for end items. This deficiency led to delays in initiation of procurement requests for some end-items and further reduced DPSC responsiveness to support rapidly increasing Service needs. This was particularly important because the procurement lead time of the textile is addressed to the procurement lead time of the end-item, resulting in a total procurement lead time of 14-16 months. Creation of a \$45 million Textile Mobilization Reserve Level during the latter part of FY 69 had, to a great extent, corrected this deficiency, as DPSC is procuring textile stocks against mobilization requirements.

3. RESERVATION OF MATERIEL

a. On 30 July 1965, DPSC established a program to reserve selected stocks for issue to designated customers. The types of stocks included in the reservation program were the "bag" items for all Services, all project SE Asia items and all items other than bag, which were directly related to recruit input, such as sheets and pillowcases. Items were added to this list based on the experience gained during the Vietnam buildup. SSD and DSSP stocks were not considered under this reservation criteria, and to preclude their drawdown separate action was taken to remove the SSDs and DSSPs from the automatic mechanical edit. SSD and DSSP stocks, however, were utilized whenever they represented the only system balances. Use of reserved stocks was handled on a customer/requisition priority/combination. Reserve stocks were issued to all reception centers of the Services, regardless of priority of the particular requisitions. Additionally, all requisitions from any customer bearing an Issue Priority Group Code of 01 through 05 could utilize these stocks. Further, certain Army and Air Force project codes were included among the customers who could obtain the reserved stocks. This program provided a material aid in ensuring that there was an equitable distribution of the limited available assets and that these assets reached the customers with the greatest need. In addition, the Joint Chiefs of Staff allocation procedures were implemented for selected items.

b. During the early stages of the Vietnam buildup, when the tropical combat boot and tropical combat fatigues had been developed and accepted for use by the Army, these items

DSA/GSA SUPPORT

were offered for consideration to all other Services. All were unanimous in declining acceptance. The Army authorized issue of these items only for the Special Forces. Nevertheless, representative combat forces of the Services stationed in Vietnam recognized the value of the items and placed requisitions upon the DSA system even though their Service was not listed as a user. This resulted in an immediate out-of-stock position that required many man-hours of research to discover the reason for the extremely poor forecast and method of control. Subsequently, these items became so sensitive and desirable that the highest military and civilian levels became involved in expedited procurement and controlled issue.

4. CLOTHING PROBLEM WORKING GROUP

a. In January 1966, Headquarters, DSA, established a Clothing Problem Working Group to focus attention on critical initial issue and organizational type clothing items and textile items. This group visited DPSC each week and met with the DPSC working group, which consisted of representatives of the Directorates of Clothing and Textiles, and Procurement and Production. Significant assistance was rendered by this Clothing Problem Working Group in establishing the chain of communication between higher headquarters and DPSC and the Services, thereby closing the loop in furnishing data on items with serious supply problems. The disbandment of this organization in July of 1967 did not stop the action by DPSC. In this area formal reviews are conducted covering items with supply problems, production difficulties, and other circumstances that might lead to diminishing supply effectiveness to the Services. Review boards have been established to determine the appropriateness of significant dollar buys of C&T items. Back order review boards review items that are in an extended back order position or have significant quantities on back order. Additionally, formal communication channels, the Selective Item Management of Secondary Items Program and reports such as Key Essential Item Report and Materiel Readiness Report, have established firm open lines of communications with headquarters, DSA, keeping them abreast of supply positions of significant clothing and textile items.

b. Although there was a necessity for a Clothing Problem Working Group during the early parts of the Vietnam era and it did prove to be very useful at that time, its essential purpose is now served by the existing reporting structure discussed above.¹

¹ DSA, Memorandum, DSAH-IM, subject: Review of DSA Support; request for information concerning, 14 July 1965; DSA First Indorsement of 24 September 1969 on JLRB Memorandum of 6 August 1969, subject: Review of DSA Support; request for information concerning.

APPENDIX B
LIST OF ACRONYMS AND ABBREVIATIONS

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LIST OF ACRONYMS AND ABBREVIATIONS

ADP - automatic data processing
ASD(I&L) - Assistant Secretary of Defense (Installations and Logistics)
ASPR - Armed Services Procurement Regulation
BOB - Bureau of the Budget
CINCPAC - Commander in Chief, Pacific
CONUS - continental United States
C & T - clothing and textiles
DCAS - Defense Contract Administration Services
DCASR - Defense Contract Administration Services Region
DCSC - Defense Construction Supply Center
DESC - Defense Electronic Supply Center
DFSC - Defense Fuel Supply Center
DGSC - Defense General Supply Center
DINS - Defense Inspection Service
DIPEC - Defense Industrial Production Equipment Center
DISC - Defense Industrial Supply Center
DMS - Direct Molded Sole
DOD - Department of Defense
DODI - Department of Defense Instruction
DPSC - Defense Personnel Support Center
DPSC(C&T) - Defense Personnel Support Center (Clothing & Textiles)
DPSC(MED) - Defense Personnel Support Center (Medical)
DPSC(Subs) - Defense Personnel Center (Subsistence)
DSA - Defense Supply Agency
DSAH - Defense Supply Agency Headquarters
DSAR - Defense Supply Agency Regulation

DSA/GSA SUPPORT

DSC - Defense Supply Center
DSSP - Direct Supply Support Point
ETD - Effective Transfer Date
FSC - Federal Supply Class
FSS - Federal Supply Service
FY - Fiscal Year
GFP - Government Furnished Property
GMR - General Mobilization Reserve
GMRMO - General Mobilization Reserve Materiel Objectives
GMRS - General Mobilization Reserve Stock
GSA - General Services Administration
ICP - Inventory Control Point
IMC - Item Management Coding
IPE - Industrial Production Equipment
JCS - Joint Chiefs of Staff
JLRB - Joint Logistics Review Board
LOGAIR - Logistics Airlift
MAC - Military Airlift Command
MAP - Military Assistance Program
MCO - Marine Corps Order
MFR - Memorandum for Record
MILSTAMP - Military Standard Transportation and Movement Procedures
MILSTRIP - Military Standard Requisitioning and Issue Procedures
MSTS - Military Sea Transportation Service
MTMTS - Military Traffic Management and Terminal Service
NAVVSUPINST - Naval Supply Systems Command Instruction
NICC - National Inventory Control Center
NORS - Not Operationally Ready, Supply
NCS - Naval Supply Center
OASD(I&L) - Office of the Assistant Secretary of Defense (Installations and Logistics)

DSA/GSA SUPPORT

O/A - Obligation Authority
O/H - On-hand
O&M - Operations and Maintenance
OPNAV - Office of the Chief of Naval Operations
OSD - Office of the Secretary of Defense
PDD - Principal Distribution Depot
POL - Petroleum, Oil, and Lubricants
PPB - Planning, Programming and Budgeting
PURA - Pacific Utilization Redistribution Agency
PURM - Program for Utilization and Redistribution of Materiel
PWRS - Pre-positioned War Reserves Stock
QUICKTRANS - Quick Transportation
SE ASIA - Southeast Asia
SECDEF - Secretary of Defense
SMOA - Single Manager Operating Agency
SPR - Special Program Requirements
SPUR - Special Purchase Mission
SSD - Specialized Support Depot
SSP - Supply Support Request
TACOM - Tank-Automotive Command (USA)
UMMIPS - Uniform Materiel Movement and Issue Priority System
USA - United States Army
USAF - United States Air Force
USAMC - United States Army Materiel Command
USARPAC - United States Army, Pacific
USMC - United States Marine Corps

APPENDIX C
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APPENDIX C

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